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ABSTRACT

These two documents, addressed to the first session of the 101st Congress, are S. 543, a bill to amend the Job Training Partnership Act to strengthen the program of employment and training assistance under that act, and the Senate report, from the Committee on Labor and Human Resources, to accompany S. 543. The Senate report includes amendments to the bill as originally submitted and recommends passage of the bill. The report includes information on the following topics: history of the legislation, background and need, committee views, cost estimate, regulatory impact statement, section-by-section analysis, additional views, and changes in existing laws. The purpose of S. 543 is to provide improved job training and education services to those economically disadvantaged individuals most in need of assistance. The bill revises both the adult and youth allocation formulas to target funds to areas with high concentrations of economically disadvantaged individuals. It targets services to those persons facing serious and multiple barriers to employment. It increases the emphasis on educational and workplace competencies and long-term retention. It stresses more intensive, comprehensive and coordinated services and mandates that both basic and occupational skills services be made available to all program participants who need them. (CML)

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THE JOB TRAINING AND BASIC SKILLS ACT

September 14 (legislative day, September 6), 1989.—Ordered to be printed

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Mr. Kennedy, from the Committee on Labor and Human Resources, submitted the following

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REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 543]

The Committee on Labor and Human Resources, to which was referred the bill (S. 543) to amend the Job Training Partnership Act to strengthen the program of employment and training assistance under that Act, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute, and recommends that the bill as amended do pass.

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I. Introduction

One of the unique features of the Job Training Partnership Act (JTPA) is that it is permanently authorized. After enactment of JTPA in 1982, the Committee on Labor and Human Resources con-

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ducted extensive oversight of the program's implementation but agreed to resist making significant amendments too early in the statute's history.

JTPA has now completed 5 full program years, and is generally viewed as a successful public-private partnership that has placed a substantial number of disadvantaged individuals into permanent, unsubsidized jobs. Nonetheless, the Committee believes that numerous issues have emerged which require attention.

II. PURPOSE AND SUMMARY

As the nation moves into the 21st century, we must be prepared to address the needs of our evolving workforces. Changing social mores and economic realities have combined with the slow population growth of the "post baby-boom" era to lead a shift away from the traditional white male workforce. Indeed, 80 percent of the Nation's workforce growth rate from 1980 to the year 2000 will be due to increases in the number of women, minorities and immigrants entering the workforce. These are groups that generally have received less education and typically have been the least prepared for work.

As manufacturing jobs decline during this same period, an increasingly service-oriented economy will place new educational demands on the workforce. Employment in professional positions is projected to grow by 5.2 million over the next decade, while employment in operative and labor positions is projected to grow by only 1.3 million. The new professional positions will require much higher levels of basic and occupational skills than in the past.

Our new workers must be properly educated and trained to participate fully and productively in an increasingly high-tech economy. The person who cannot read, compute, or communicate will be effectively disenfranchised from the labor force.

One major concern of the Committee is the significant unemployment among low-income youth, especially dropouts. Youth who drop out of school are automatically disadvantaged in the labor market. Even those youth who earn a high school diploma face limited employment and earnings opportunities without further education. Current trends indicate that fewer than 30 percent of today's high school students will get a college degree. The William T. Grant Foundation, in its report, "The Forgotten Half: Non-College Youth in America," painted a bleak picture of the income and employment situation for non-college bound youth. This is particularly true for low-income youth, and unemployed and unmarried young parents—a group characterized by the Foundation as the "truly disadvantaged." As these young people start families of their own, another generation is born at risk of poverty and dependence.

The growing economic plight of our young workers and their families provides further evidence of the need to strengthen our Nation's job training system. As documented in a recent Children's Defense Fund study, "Vanishing Dreams," the real median income of families with children headed by persons under age 30 plunged by 25 percent between 1973 and 1987. A major reason for this decline is the decrease in earnings of young parents without a college education. It is essential that this deterioration of the economic status of young families be reversed.

It is the purpose of S. 543, the Job Training and Basic Skills Act of 1989, to provide improved job training and education services to those economically disadvantaged individuals most in need of assistance. Building upon the experience and success of the past 5 years, S. 543 seeks to strengthen employment and training programs established under title I, title II, and title IV of JTPA.

S. 543 maintains the Federal-State-local as well as the public-private partnership that provides the foundation for the JTPA system. The bill revises both the adult and youth allocation formulas to target funds to areas with high concentrations of economically disadvantaged individuals. It makes significant changes in program eligibility rules to target services on those persons facing serious and multiple barriers to employment. It revises JTPA's focus on placement and cost outcomes in the performance standards by increasing the emphasis on educational and workplace competencies and long-term retention. It improves program quality by stressing more intensive, comprehensive and coordinated services and mandates that both basic and occupational skills services be made available to all program participants who need them. Finally, S. 543 seeks to strengthen the capacity of the JTPA system to serve in-school and out-of-school youth who are at risk of chronic unemployment.

The Job Training and Basic Skills Act of 1989 will ensure that individuals served under JTPA will not simply be placed in a job, but instead will be provided the training and basic skills necessary for a lifetime of productive work. This goal, if achieved, will not only contribute to alleviating poverty and unemployment but also will improve the productivity of the Nation.

III. History of Legislation

On February 2, April 27, June 8 and September 22, 1988, the Subcommittee on Employment and Productivity conducted hearings on the subject of youth employment under title II of the Job Training Partnership Act. Among the witnesses were the Secretary and Assistant Secretary for Employment and Training of the U.S. Department of Labor, representatives of the JTPA system, local, county and State government organizations and associations, and State and local elected officials. Also represented were the education community, the private sector, youth foundations, public/private partnership programs serving youth, the research community and youth interest groups.

On March 8, 1989, Senator Simon introduced S. 543, the Job Training Partnership Act Youth Employment Amendments of 1989. Senators Kennedy and Mikulski were original cosponsors of the bill. After the bill's introduction, the Subcommittee on Employment and Productivity held six hearings on S. 543 on March 9, March 16, March 30, April 24, May 1, and May 11, 1989. The witnesses again included the Secretary and Assistant Secretary for Employment and Training of the U.S. Department of Labor, representatives of the JTPA system, local, county and State government associations, State and local elected officials, representatives of the education community, the private sector, public/private partnership programs serving youth, the research community and youth interest groups. Additional testimony was received from Senator Lautenberg, members of the JTPA Advisory Committee, community-based organizations, the vocational rehabilitation community, representatives of State and local government and Native American associations.

On July 12, 1989, Senator Hatch and Senator Thurmond introduced S. 1300, the "Job Training Partnership Act Amendments of 1989" on behalf of the Department of Labor.

On July 26, 1989, an amendment in the nature of a substitute to S. 543 was ordered reported favorably by the Committee on Labor and Human Resources. The substitute S. 543 incorporates several new provisions based on testimony, S. 1300, and comments and suggestions from the education and job training communities, in an effort to strengthen and improve the original provisions of S. 543. The amendment to S. 543 also renames the original bill the "Job Training and Basic Skills Act of 1989".

VOTES IN COMMITTEE

On July 26, 1989, the Labor and Human Resources Committee met in Executive Session and voted to report favorably an amendment in the nature of a substitute to S. 543 sponsored by Senator Simon. Before voting on the final bill, the Committee accepted by voice vote an amendment to the substitute offered by Senator Kassebaum. Senator Simon's substitute amendment was offered by Senator Kennedy, and ordered reported from the Committee by a 15 to 1 vote:

YEAS	NAYS
Kennedy	Adams
Pell	
Metzenbaum	
Matsunaga	
Dodd	
Simon	
Harkin	
Mikulski	
Hatch	
Kassebaum	
Jeffords	
Coats	
Thurmond	
Durenberger	
Cochran	

IV. Background and Need

HISTORY OF LEGISLATION

JTPA became the Nation's primary employment training program in 1982 (P.L. 97-300), succeeding a series of Federal job training programs dating back to the early 1960s. The first post-World War II job training programs focused on unemployed adults displaced as a result of automation. However, by the mid-1960s, the emphasis had shifted to the needs of economically disadvantaged individuals, particularly minorities and youth.

In the early 1970's, Congress folded a variety of categorical employment and training programs into the Comprehensive Employment and Training Act (CETA). CETA was intended, in part, to transfer greater decision-making authority regarding the design of training programs from the Federal level to local governments. Under CETA, local governments operated training programs for disadvantaged adults and youth, as well as public service employment programs for disadvantaged and unemployed workers.

CETA was amended and reauthorized several times in its history. When the legislation was scheduled to expire at the end of FY 1982, Congress chose to conduct a major re-evaluation of Federal work and training policy, which resulted in the enactment of a completely new program—JTPA.

As enacted in 1982, JTPA differs from CETA in several important ways: it is built upon a partnership between government and industry, rather than controlled by government alone; it includes a major role for State governments; it emphasizes private sector employment rather than subsidized public employment; it encourages education and training and limits the amount of funds that can be used for non-training expenses; and it holds all programs accountable to mandatory performance standards.

In recognition of rising unemployment among skilled workers who were displaced from their jobs during the recession of the early 1980's, JTPA also includes a separate program for dislocated workers. However, the primary beneficiaries of Federal employment and training services continue to be economically disadvantaged adults and youth.

STRUCTURE OF JTPA SERVICES FOR THE ECONOMICALLY DISADVANTAGED

Under current law, JTPA services for economically disadvantaged individuals are provided primarily through two programs: title IIA, which authorizes a comprehensive range of employment and training services for economically disadvantaged adults and youth; and title IIB, which authorizes a summer jobs program for economically disadvantaged youth. Both of these programs are administered through JTPA's nationwide network of service delivery areas (SDAs) and Private Industry Councils (PICs).

When JTPA was enacted, all State Governors were directed to divide their States into SDA's, typically local political jurisdictions or consortia of jurisdictions. Currently, there are over 600 SDAs throughout the country.

For each SDA, a PIC is designated by local elected officials. A majority of PIC members, including the chairman, are private sector representatives, and the balance represent education agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and public employment services. Together with the local elected officials in the area, the PIC plans job training programs, decides what services will be provided, and contracts with job training providers.

TITLE IIA—ADULT AND YOUTH PROGRAMS

Title IIA is the single largest program authorized by the Act, with FY 1989 appropriations of almost $1.8 billion. Federal funds are distributed to States by a three-part, equally weighted formula based on the following factors: relative number of unemployed individuals living in "areas of substantial unemployment" (ASUs), defined as areas with jobless rates of at least 6.5 percent for the previous 12 months; relative number of unemployed individuals in "excess" of 4.5 percent of the State's civilian labor force; and relative number of economically disadvantaged individuals. (An identical formula is used for allocating funds in title IIB.) Each State is guaranteed at least 90 percent of the percentage of total appropriations it received in the previous year.

Of title IIA funds received by each State, 22 percent is reserved currently at the State level and the remaining 78 percent is allocated to SDAs according to the same three-part formula described above. Each SDA is guaranteed to receive at least 90 percent of its average allocation percentage received during the two previous years. Funds reserved for statewide use are divided as follows: 8 percent for education coordination activities; 3 percent for services to older workers; 6 percent for incentive payments to SDAs that exceed performance standards or for technical assistance; and 5 percent for State administration.

Of the funds received by SDAs, at least 40 percent must be used to serve youth, ages 16 through 21. High school dropouts and recipients of Aid to Families with Dependent Children (AFDC) must be served equitably according to their proportions in the local economically disadvantaged population. "Economically disadvantaged" is defined generally as having income no higher than 100 percent of the Office of Management and Budget poverty guidelines or 70 percent of the Bureau of Labor Statistics' lower living standard. AFDC and food stamp recipients are categorically eligible. Up to 10 percent of title IIA participants may be non-disadvantaged if they have some other barrier to employment, such as people with limited English proficiency, displaced homemakers, school dropouts, teenage parents, individuals with disabilities, older workers, veterans, offenders, alcoholics, addicts, or homeless persons.

Title IIA authorizes a wide range of training and employment-related services, including basic and remedial education, private sector on-the-job-training, job search assistance, occupational skills training, and customized training designed to meet the needs of specific employers. Supportive services such as child care, transportation, and needs-based payments to enable individuals to participate in training programs also are authorized services. No more than 15 percent of funds may be used for local administrative costs, and no more than 30 percent may be spent for the combined costs of supportive services, needs-based payments, and administration.

Mandatory performance standards apply to local title IIA programs. The law states that the return on JTPA's "investment in human capital" is to be measured by increased employment and earnings and reductions in welfare dependency. The law directs the Secretary of Labor to estalish specific performance standards, but suggests the following factors for programs serving adults: placement in unsubsidized employment; retention in unsubsidized employment; increase in earnings; and reduction in the number of individuals and households receiving welfare payments and the amounts of such payments.

For programs serving youth, the following additional factors are required: attainment of employment competencies recognized by the PIC; school completion or its equivalent; and enrollment in other training programs, apprenticeships, or military enlistment. The Secretary also is directed to establish cost standards.

TITLE IIB—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS

The summer youth employment and training program authorized by title IIB is administered through SDAs and PICs. FY 1989 appropriations for title IIB are $709 million. Most of these funds are allocated to States according to the same three-part formula used in title IIA, and all funds received by States are passed through to SDAs, again using the same three-part allocation formula. A small percentage (approximately 2 percent) of these funds go to Native American grantees under section 401 of the Act.

A wide range of training and employment services is authorized under the summer youth program. These services may include remedial education, institutional and on-the-job training, work experience, counseling, outreach and enrollment, referral and placement, job search and job club activities. Amendments to the title IIB program adopted by Congress in 1986 require that the summer youth program further include an assessment of the reading and math skills of eligible participants, and mandate SDA expenditures on remedial education. Most of the summer youth program funds, however, are used to provide work experience with public and nonprofit community agencies. Title IIB funds also may be used for supportive services and wages according to standards established in the local job training plan and these services and wages are not subject to limitations. No more than 15 percent of title IIB funds, however, may be used by the SDA for administration.

All participants must be economically disadvantaged youth ages 16 to 21 years, although youth ages 14 and 15 also may be served at local option. Performance standards do not apply to the title IIB program.

REALIGNING JTPA RESOURCES

In this era of limited public resources, effective targeting of those resources is crucial. An important issue for any large Federal grant program, such as JTPA, is whether the program's allocation formula appropriately directs funding to areas with the largest concentrations of eligible individuals.

Since the implementation of JTPA, considerable attention has been devoted to the adequacy and equity of its allocation formula. At the request of the Department of Labor, Abt Associates conducted in 1985–86 a study, "An Assessment of Funding Allocation Under the JTPA," and concluded that the allocation formula does not distribute funds equitably. Specifically, Abt found that State and SDA funding allocations under the existing formula do not reflect adequately each State's or SDA's actual share of the eligible low-income population.

Equity criteria suggest that JTPA resources should be targeted primarily to the economically disadvantaged. The current weighting of the allocation formula, however, heavily favors targeting to areas with high unemployment as compared to areas with large poverty populations.

The most influential factor promoting inequity is the limited overlap between persons who are economically disadvantaged and persons who are unemployed. In comparing the characteristics of the two populations in 1980, the Abt study found that only 6.1 percent of the economically disadvantaged population ages 16 and over was unemployed. The vast majority (62.7 percent) of the poverty population was out of the labor force altogether and not counted in the unemployment statistics. With regard to the unemployed population, less than 20 percent was classified as economically disadvantaged.

Much of this phenomenon is caused by the official definition of "unemployed" as set by the Department of Labor. An individual is formally designated as unemployed only if he or she is actively seeking employment. Discouraged workers who have stopped looking for work, and those who are unable to seek work (e.g., single parents without access to child care) are classified as "out of the labor force". Clearly, all of the individuals classified as out of the labor force are also unemployed in the literal sense.

Problems with the allocation formula are particularly evident in the title IIB program for disadvantaged youth. Since many economically disadvantaged youth may have never been employed or frequently are discouraged workers, they do not appear on unemployment rolls and are not counted in unemployment statistics.

Another way to look at inequities perpetuated by the current JTPA funding formula involves comparisons of JTPA dollars allocated in program year 1989 per eligible person per State. For example, under title IIA, the Department of Labor estimates that the dollars available per eligible individual vary from a low of $22 in Massachusetts and $25 in North Carolina to a high of $82 in Alaska—a nearly fourfold variation. Examining the dollars allocated for youth under title IIA, the disparity is even more pronounced. Allocations range from a low of $72 and $84 per eligible youth in Massachusetts and Kansas, respectively, to a high of $233 per eligible youth in Alaska. Funding allocation disparities also emerge among urban areas where poverty populations are concentrated and yet unemployment rates are relatively low. For example, title IIA dollars available per eligible youth range from $15 and $16 in Honolulu and Charlotte, respectively, to $20 and $63 in Baltimore and Houston, respectively.

The Abt report also found that the current formula's use of "threshold" unemployment factors (the 6.5 percent ASU and 4.5 percent excess unemployment factors) contribute to instability in the JTPA system. These factors create a funding cliff, that produces dramatic swings in annual funding allocations at the SDA level, particularly if an area qualifies for funding status one year and not the next. This is an important issue since significant annual funding variations can affect a local community's ability to deliver effective job training services.

Finally, the Abt study considered a number of problems with the data used in the JTPA allocation formula, particularly the reliance on outdated 1980 Census data. The Committee recognizes that there is currently no data source that will eliminate all of these problems and thus has not recommended alternative data sources. The Committee notes, however, that the issue of outdated data will be ameliorated when the results of the 1990 Census become available. Also, the Committee encourages the Department of Labor to consider combining Census data with other poverty statistics such as the Aid For Dependent Children (AFDC) data base for use in determining JTPA allocations.

The JTPA Advisory Committee assembled by the Department of Labor echoed the concerns raised in the Abt study when it issued its own report in March 1989. The Advisory Committee stated that program funding should follow the people proposed to be served and recommended specifically that the relative number of eligible individuals in each State or SDA be the dominant factor in the JTPA formula.

Moreover, the Advisory Committee recommended against the use of the unemployment threshold factors in the JTPA formula, because of the volatility resulting from their use. Finally, the Advisory Committee advocated appropriate "hold-harmless" provisions that would guarantee States and SDAs a certain percentage of previous years' allocations and thereby minimize instability in program funding.

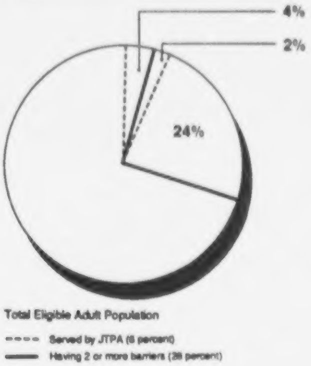
TARGETING JTPA SERVICES TO THOSE MOST IN NEED

Since enactment of JTPA, a recurring concern has been whether services are adequately targeted to those members of the eligible population who have the greatest barriers to employment and the greatest need for assistance. Approximately 31 million persons are income-eligible for JTPA services nationwide—a number far in excess of the approximately 1.8 million persons who participate in the JTPA program each year. As a result of the large pool of potential program participants, States and SDAs have wide latitude in determining who actually receives services.

Substantial evidence exists suggesting that so-called "creaming" is occurring in the JTPA delivery system. Creaming is the selection of eligible persons who are *most ready* to be placed into jobs and who have the fewest training needs. For example, the General Accounting Office (GAO), in its June 1989 report, "JTPA Services and Outcomes for Participants With Differing Needs," found that a larger proportion of high school graduates are enrolled in the JTPA program than exists in the eligible population nationwide. In contrast, high school dropouts are substantially underserved by JTPA even though dropouts are a group particularly prone to difficulties in the labor market. GAO data show, for example, that only 27 percent of adult JTPA participants are school dropouts. In comparison, it is estimated that 38 percent of adults eligible for JTPA are school dropouts.

The JTPA system appears to do a poor job of recruiting and enrolling persons who have multiple barriers to employment, e.g., a school dropout who is receiving AFDC assistance. GAO compiled information regarding three specific employment barriers: school dropouts, AFDC recipients and those with limited recent work experience. GAO data show that JTPA serves less than 2 percent of the total adult eligible population with at least two of the three employment barriers described above. Yet, the GAO estimates that 26 percent of the total eligible poverty population is characterized by these multiple barriers to employment.

Percent of JTPA Eligible Adult Population and Those Served Having Multiple Employment Barriers



Note: Employment barriers include education deficiency, welfare dependency, and limited work history

Source: U.S. General Accounting Office

In 1988, the Department of Labor's Inspector General (IG) also reported that despite having achieved a 70 percent "entered employment" rate, the JTPA program is not focusing on hard-to-serve individuals. This is disturbing because this population promises the greatest return on investment in terms of welfare payment savings and increased productivity. Moreover, this population is most in need of employment and training services. Like the GAO, the IG concluded that the program targets participants who are easy to place (60 percent or better are high school graduates). The IG also concluded that the number of participants on public assistance was only slightly reduced, (4.9 percent for adults, no reduction for youth) by the JTPA program.

One legislative approach to the creaming problem was adopted in 1988. The Jobs for Employable Dependent Individuals Act (title V of JTPA) is intended to provide incentive bonuses for the long-term placement of certain individuals with multiple barriers to employment. While the Committee anticipates that this program, once operational, will be useful in addressing the need to target scarce resources to long-term welfare recipients, other, more fundamental, changes in the statute are also needed.

Because JTPA is serving only 5 percent of the eligible population, eligibility criteria in addition to income level are needed to assure that individuals with the greatest barriers to employment are served. Low-income persons with multiple barriers to employment include those lacking in basic reading and math skills, school dropouts, long-term welfare recipients, individuals with disabilities, homeless persons, limited English proficient individuals, and offenders. Additional factors that compound the burden of poverty for young people include poor academic performance and parenthood.

JTPA is the major Federal employment and training program. Therefore, it is important that every effort be made to ensure that the 5 percent of eligible low-income persons who are served be those who would not be able to find jobs without the direct intervention of this program. It is also important to ensure that those served by the JTPA program are provided the basic skills and training necessary to improve their long-term employability and their long-term earning potential. The Committee's recommendations for increased targeting and tightened eligibility rules are intended to achieve these goals.

IMPROVING THE QUALITY OF JTPA SERVICES

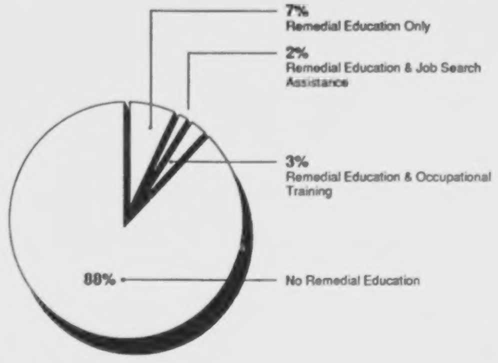
In addition to concerns that JTPA services are not targeted adequately on individuals with the greatest needs, another recurring issue involves the quality and the type of services provided. For example, short-term job search assistance might result in a job placement for some low-skilled individuals, but may not result in job retention. In other words, are JTPA services of sufficient depth and duration to really enhance the long-term employability of disadvantaged workers?

The American Society for Training and Development, jointly with the Department of Labor, identified in a 1988 report the basic workplace skills that today's employers consider essential in their employees. The first priority for employers is attracting workers with basic reading and math skills. Employers, however, also want workers who learn scientific details on the job. They want workers who listen and communicate well, are able to solve problems and think creatively, have self-esteem, are motivated and have a sense of personal direction. Employers want workers who get along with others, are able to work as a member of a team, are responsible, and motivate others when necessary.

The JTPA is capable of providing this type of basic skills and employability training. However, GAO's research clearly demonstrates that not all participants who need these services are receiving them.

In June 1989, GAO reported that "less job ready" participants (predominantly dropouts, welfare recipients, and minorities) received less intensive JTPA services than more employable participants, even though the "less job ready" participants face greater barriers to employment. For example, while dropouts might be expected to need remedial education to achieve labor market success, GAO found that 88 percent of dropouts served by JTPA received *no* remedial education at all. Nearly one in three JTPA participants who could be considered most in need received only job search assistance and *no* other form of training or education.

Dropouts Receiving Remedial Education



Source: U.S. General Accounting Office

Further, GAO found that the more disadvantaged individuals were less likely to receive occupational training, and less likely to be trained for higher skill occupations. At the same time, GAO found that individuals trained for higher skill occupations tended to find jobs in those occupations. Higher skill training appeared, therefore, to pay off for those few who received it.

One of the more costly, yet common, types of training service provided through JTPA is on-the-job-training (OJT). During the period of OJT, the JTPA program pays a subsidy that equals 50 percent of the wages paid to JTPA participants hired by the employer. The Department of Labor's IG, as well as the GAO, investigated the use of this subsidy by surveying OJT employers. Approximately 60 percent of all OJT employers say they would have hired the JTPA participant without the wage subsidy. Of the employees surveyed, however, only 66 percent of the adults and 48 percent of the youth were retained after the OJT training ended.

The GAO also noted abuses in OJT services and reported that over 40 percent of OJT was in lower skill occupations, such as custodian, housekeeper, dishwasher, laundry worker, and laborer. While such training may be appropriate for certain individuals, the GAO noted that much of the time spent in OJT "was very likely too long." The Department of Labor estimates that the training period for lower skill occupations should be no more than 30 days or 240 hours. In contrast, the average time for 85 percent of the OJT contracts surveyed was about 585 hours—more than double Department of Labor guidelines.

Finally, the Committee notes the growing evidence that women participating in JTPA training programs tend to be trained for traditionally-female occupations, not for traditionally male occupations, which often provide enhanced pay, benefits and job security. The current Act includes language encouraging states and service delivery areas "to develop programs which contribute to occupatioal development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex". In this regard, the Committee recognizes and supports current legislative efforts to increase opportunities for women to obtain training for nontraditional occupations through JTPA.

THE IMPACT OF PERFORMANCE STANDARDS ON TRAINING

Various factors influence the design and effectiveness of JTPA training programs at the local level. One factor is the statute's lack of guidance regarding program design. A laundry list of services is authorized with no priorities or distinctions among them. Another factor is that program outcomes in the JTPA system, unlike other employment and training programs, are directed by the numerical levels at which performance standards are set. Finally, incentive payments awarded by Governors exaggerate the effects of these performance standards by rewarding only those programs that exceed them.

JTPA performance standards, in particular, have been singled out (by the JTPA Advisory Committee and others) as a powerful factor driving the relatively low-cost, short-term training that typfies JTPA training programs. The majority of the 12 national JTPA performance standards emphasize short-run, termination-based measures of success, including placement rates, wages at placement and cost per individual entering employment.

A prevalent view of those knowledgeable about JTPA is that the performance standards have created practices of serving those most likely to succeed instead of those likely to benefit the most. Because program "success" is measured by high placements and low costs, SDAs may avoid high-risk clients who may have multiple problems to overcome before they are ready to take a job. Cost standards promote efficiency and accountability, but discourage SDAs from providing the longer term, more intensive training that is needed by the most disadvantaged JTPA clients, but often is more costly to provide.

Currently, there is no way to distinguish between poorly run, high-cost programs and low-cost, quality programs, While our objective should be providing the highest quality training at the lowest cost, incentive payments to SDAs that "beat" the cost standards encourage SDAs to underspend, possibly at the expense of program quality. This underspending may be reflected in the fact that cost per placement in the JTPA system tends to fall well below the standards set by the Department of Labor. For example, in program year 1987, the average cost per adult entered employment was $2,777—an amount nearly 40 percent below the $4,374 standard set by the Department of Labor (DOL).

TABLE 1

	National average cost per adult entered employment	DOL standard cost per adult entered employment
Transition year 1983	$3,308	$5,900
Program year:		
1984	3,195	5,704
1985	2,941	5,704
1986	2,905	4,374

TABLE 1—Continued

	National average cost per adult entered employment	DOL standard cost per adult entered employment
1987	2,777	4,374

Source: U.S. Department of Labor.

COMPREHENSIVE AND YEAR-ROUND YOUTH PROGRAMS ARE NEEDED

JTPA currently serves disadvantaged youth through two separate programs: title IIA, which authorizes job training services on a year-round basis; and title IIB, which operates in the summer months and provides unlimited work experience in addition to other forms of training and education. Young people enrolled in one program are not necessarily enrolled in the other.

Out-of-school youth are typically a hard group to recruit and enroll in education and training programs. Nevertheless, their needs are substantial. A 1988 report by the Manpower Development Corporation, Inc., "America's Shame, America's Hope," referred to projections for the year 2000 "that new jobs will require a workforce whose median level of education is 13.5 years. That means, on the average, that the workers who fill these jobs will have to have some college training. Not to be the boss, but just to bring home a paycheck."

JTPA must make greater efforts to serve dropouts, with particular emphasis on out-of-school youth. In program year, 1987, 42 percent of the youth participants in JTPA were students and another 31 percent were high school graduates. Only 27 percent were school dropouts.

The complex problems of disadvantaged youth demand a more comprehensive approach than currently provided by JTPA. Year-round and summer services should be consolidated to assure that the benefits of work experience or training in the summer are maintained throughout the year. Research and numerous demonstration projects consistently have shown that work experience is most valuable when combined with other forms of training or education.

One such analysis in 1980 by Ernest Stromsdorfer at Columbia University, "The Effectiveness of Youth Programs: An Analysis of the Historical Antecedents of Current Youth Initiatives in Youth Employment and Public Policy", concluded that work experience alone does not improve the employability or school attendance of youth and may be more effective when combined with such other services as placement assistance and skill training. Stromsdorfer claimed that while skilled training is effective, its impact deteriorates over time. To be most effective, skill training must be tied to known job opportunities. This analysis further suggests that success in the workplace is directly related to basic writing, communication and computational skills.

Stromsdorfer's findings were later confirmed in a 1982 GAO study that concluded that the labor market problems of youth are due in large part to a lack of success in school. Another 1982 GAO study concluded that substantial gains in employability for disadvantaged youth are possible through a combination of such services as remedial education, well-structured work experience and training. A more recent study, "Toward a More Perfect Union: Basic Skills, Poor Families, and Our Economic Future," by Gordon Berlin and Andrew Sum, also recommended making "education an integral part of the employment and training services mix." Similar findings have been noted in studies conducted by the Center for Human Resources at Brandeis University, the Manpower Demonstration Research Corporation, and the Northeast-Midwest Institute.

In addition to more comprehensive interventions for out-of-school youth, both preventive and remedial strategies are needed for in-school youth. Preventive services should be targeted on in-school youth at risk of dropping out or otherwise failing in the labor market. Remediation is needed for young people already experiencing difficulties because they dropped out of school or they lack basic skills notwithstanding a high school diploma.

JTPA SERVICES SHOULD BE COORDINATED WITH OTHER EDUCATION AND TRAINING PROGRAMS

Coordination of related programs has been a long-standing goal of Federal employment and training policy. This goal has never been fully or consistently realized, however. JTPA has a number of provisions designed to achieve coordination, including the 8 percent State set-aside for education coordination.

Coordination is needed throughout the JTPA delivery system, at the State and local levels, and with other education and training programs. For example, Congress recently enacted major changes in the AFDC program to enhance the self-sufficiency of welfare recipients through increased training and related activities. When fully implemented, this new welfare reform program, known as the Job Opportunities and Basic Skills Training Program (JOBS), could have significant implications for the JTPA system, which is already engaged in providing employment and training services to welfare recipients. These two programs should be coordinated to assure maximum use of public resources on behalf of the AFDC population.

Job training services must also be coordinated with education and vocational education. The JTPA Advisory Committee recommended that the traditional distinctions between school-based education and job training services be blurred so that the two systems, together with employers and social service agencies, can develop comprehensive strategies for both in-school and out-of-school youth. Although this type of coordination was the purpose of the 8 percent set-aside, coordinating with other programs and agencies should be a primary goal for the entire JTPA program. Replacing the 8 percent set-aside with program-wide mandates and incentives for coordination will help meet the service needs of all JTPA participants in a more comprehensive way and will avoid duplication of efforts.

V. COMMITTEE VIEWS

After several years of experience with the Job Training Partnership Act, many of the strengths as well as the weaknesses of the JTPA system have become apparent. JTPA has forced state and local job training administrators to become proactive in working with the private sector. In addition, JTPA has placed a higher priority than previous Federal job training programs on placing those who complete training into jobs. At the same time, some of the new emphases in JTPA have produced unintended outcomes and inequities. These unforeseen effects have resulted in a screening out of individuals who are most in need of job training services and a lower priority accorded to the quality and durability of the training provided for those individuals who do receive JTPA services.

One of the members of the JTPA Advisory Committee, Twila Young, commented:

> The Job Training Partnership Act is sometimes called the second chance system, sometimes called the last chance system. For too many Americans it is the only chance they have to become the productive citizens that they wish to be and that our communities, our economy and our country needs them to be.

Whether it is a second chance, last chance or only chance, the Committee believes that JTPA must provide the best possible chance to all those who need assistance. The Committee is convinced that JTPA can produce greater long term gains for those who participate in JTPA programs and for the nation. Realizing these goals is the primary aim of the Committee in reporting the Job Training and Basic Skills Act of 1989.

TITLE I—ADULT AND YOUTH EMPLOYMENT AND TRAINING PROGRAMS AMENDMENTS

Authorization of Appropriations

S. 543 specifies an authorization of appropriations of $1.223 billion for title IIA and $1.574 billion for title IIB in FY90 and such sums as necessary thereafter for both programs. The Committee supports the permanent authorization of appropriations for JTPA but specifically has authorized an additional $300 million (above FY89 appropriations levels) for title II for FY90. In so doing, the Committee wishes to call attention to the need for additional funding for job training services.

Since the inception of JTPA in 1982, funding for the program has remained stagnant. In FY89, $2.5 billion was appropriated for title IIA and title IIB—an amount less than the $2.7 billion allocated for the adult and youth programs in JTPA's first full year of operation in FY84. More than double the additional amount authorized in S. 543 for FY90 would be required to bring funding for the title II program to the level required just to keep pace with inflation since 1984.

JTPA's funding status is also of concern to the Committee because of the small share (5 percent) of low-income persons that are able to benefit from JTPA services. In addition, a declining number of people are being served. Today 100,000 fewer persons are being served than were served when the JTPA program began.

Moreover, it is likely that even fewer persons will be served in the future unless additional funds are provided. The Committee intends to change significantly the JTPA system by encouraging the provision of more comprehensive services to hard-to-serve individuals. As the quality and intensity of services provided to the most hard-to-serve JTPA program participants increase, so too will the cost per participant. The Department of Labor estimates that the average cost per participant will increase from $2,250 to $2,555 for adults, $1,900 to $2,730 for out-of-school youth, and $1,300 to $2,160 for in-school youth. By restructuring JTPA services, the Committee explicitly acknowledges that costs will increase and additional funds will be necessary just to maintain services to the current number of participants.

Private Industry Council Composition

The bill maintains the present majority representation of business on the Private Industry Council (PIC) but requires that labor and community-based organizations make up at least 15 percent of PIC membership. The Committee is concerned that some PICs have a lesser degree of participation from local community partners, other than representatives of business, than was intended under the Act. Recognizing that the PIC is the policy making body for the development of employment and training priorities in the local community, the Committee strongly believes that balanced representation is needed among the various community partners listed in the Act, notwithstanding the requirement that majority representation be from business.

Simultaneous with the Committee's desire to ensure balanced representation, the Committee intends to preserve the local character of the PIC. The Committee intends that the Secretary of Labor issue regulations which address this intention that all PIC representatives, including those from organized labor, community-based organizations, educational agencies and private industry, be from the local community.

S. 543 states that "if the State or local labor organization cannot adequately meet the labor representation on the PIC then individual workers may be included on the council to complete the labor representation." In implementing this requirement, the Committee expects the Secretary of Labor to issue regulations to provide PICs with additional guidance and assistance in fulfilling the labor and community-based organization representation requirements. The Committee believes that the labor and community-based organization representation requirements are structured in such a way under S. 543 that PICs should have no difficulty in meeting them. However, the Committee recognizes that cases may arise in which no appropriate labor or community-based organization representatives are available to fulfill the bill's requirements. To address these limited cases, the bill provides that individual workers from the local community may be appointed to the PIC to meet the 15 percent requirement.

The bill clarifies the requirement in current law mandating that representatives of educational agencies (including adult education), vocational rehabilitation agencies, economic development agencies, the public employment service and other listed agencies in the SDA be represented on the PIC. In addition, S. 543 includes a new requirement that representatives of public assistance agencies be included on the PIC. The Committee intends that there be balanced representation from the various sectors of the education community in the SDA, but the bill does not require that each educational agency within the SDA be represented individually on the PIC.

The Committee believes that these PIC-related modifications will help to promote closer coordination between JTPA and other education and training programs. The bill permits a 3 year phase-in period to allow sufficient time for PICs to comply with these provisions.

Performance Standards

The bill modifies current performance standard requirements for the adult program by adding as a basic measure of performance the acquisition of basic and occupational skills and employment competencies that promote long-term employability, job placement and retention. S. 543 provides that another appropriate factor by which to judge program performance is placement of an individual in a job for more than six months. The bill also provides that performance standards for youth programs may reflect the differences between in-school and out-of-school programs.

JTPA performance standards must promote the consistent and routine delivery of effective, higher quality services to a less employable population. The Committee believes that establishing longer-term outcome measures such as the attainment of education competencies, employment retention and increases in earnings should help to accomplish this goal. While S. 543 defines "basic skills deficient" to mean reading or computing skills at or below the 8th grade level for the purposes of eligibility determination, the Committee does not intend that this definition be used for the purposes of performance measurement. The Committee recongizes that the achievement of 8th grade reading and math skills is a desirable goal for JTPA program participants. This may be an unrealistic goal, however, for some participants who enter a program with basic skill levels well below the 8th grade level.

Limitation on Certain Costs

S. 543 retains the administrative cost cap of 15 percent in current law, but increases the total for administrative and supportive service costs to 35 percent (thereby allowing an additional 5 percent for support costs). The 15 percent cap for administrative costs may be increased to 20 percent with inclusion in the job training plan and State approval (thereby increasing the total limitation on administrative and supportive service costs to 40 percent).

The Committee has adjusted existing limits on administrative costs in recognition of the increased administrative and organizational requirements that will be imposed on SDAs and PICs as a result of this bill. At the same time, the Committee recognizes that increased administrative costs associated with more complex outreach, recruitment, coordination and case management requirements also may accurue to service providers. In an effort to ensure accountability and fairness in SDA contracts, S. 543 requires that all contracts and agreements with service providers include the proportionate amounts necessary for administrative costs and for supportive services.

The JTPA Advisory Committee also recommended consideration of raising the existing cap on local administrative costs from 15 percent to 20 percent. The existing cap has been cited as one reason for the widespread use of fixed unit price, performance-based contracts, which currently do not require a breakdown of administrative or other costs. While performance-based contracting is desirable for some program-related reasons, relief from the restriction should not be the overriding motivation for its use.

The Committee notes that many SDAs appear reluctant to use JTPA resources for supportive services. Currently, the average share of local expenditures for such services is about 7 percent—well below the 15 percent permitted under existing law. The Committee believes that supportive services are a necessary component of a job training program oriented toward at-risk individuals, and has provided additional flexibility for supportive service costs to accommodate the increased need for such expenditures resulting from this bill. For example, S. 543 mandates that supportive services be made available (along with basic skills and occupational skills training) to youth participating in the title IIB program, where the assessment and service strategy indicate such services are appropriate.

The Committee and the Department of Labor are in full agreement that supportive services available for participants should be increased and the use of funds for this purpose should be encouraged. The Committee intends that a greater proportion of JTPA participants be hard-to-serve individuals. If these clients are to participate successfully in more comprehensive and long-term training, greater expenditures on supportive services will be necessary to cover essential services such as transportation, child care, and stipends.

The Committee intends that child care services, in particular, be an important part of the support services provided to JTPA program recipients. Child care is a critical first step toward self sufficiency. The Committee is aware of the increasing difficulties today's parents face while trying to balance work-family relations, especially for the single parent. A study by the National Social Science and Law Center in Washington, D.C. indentified child care as a key barrier to employment faced by single mothers receiving AFDC benefits. Nearly two-thirds of the respondents cited their difficulty with child care responsibilities as a problem in seeking, getting and maintaining a job. It is the intent of the Committee that the additional funding for support services permitted under S. 543 be available to address the needs of parents who are limited in their ability to seek increased training, education, or job skills because of their inability to attain affordable child care.

Fixed Unit Price, Performance-Based Contracts

S. 543 requires, with a limited exception, that all expenditures under JTPA be charged to appropriate cost categories (i.e. administration, supportive services, training). This provision would restrict the use of fixed unit price, performance-based contracts in the JTPA program.

Under current law, if certain performance conditions are met, the provider may charge all costs to the training cost category and is not required to identify in fixed unit price contracts the proportion of costs attributable to administration and supportive services. The effect is to allow providers to avoid the cost limitations on administration and supportive services provided in the Act, and this could result in a reduction in the proportion of funds used for training services. By requiring that all expenditures be charged to appropriate categories, the Committee had adopted a recommendation of the Department of Labor's IG. This provision will help to improve program accountability and ensure adherence to the established cost limitations.

Procurement Standards

S. 543 amends JTPA to revise the procurement standards. Under current law, whatever general procurement requirements are contained in each State's law apply to JTPA programs. S. 543 would require the Governor to establish certain minimum standards for JTPA programs to improve accountability. The standards prescribed by the Governor are to ensure that procurements are 1) competitive to the maximum extent possible, 2) accompanied by an analysis of the reasonableness of costs in the contract, and 3) in accordance with local written selection procedures established prior to requesting proposals. In addition, the standards are to ensure that all deliverables and the basis for payment are specified in the contract, and that recipients conduct oversight to ensure compliance with the procurement standards. It may be noted that this section of the bill also drops some current provisions relating to JTPA audits since those provisions have been superceded by the Single Audit Act.

Title IIA and Title IIB Allocation Formulas

S. 543 revises the allocation formulas for both title IIA and title IIB and shifts the emphasis in both formulas from unemployment to poverty: 50 percent of the funds would be allocated on the basis of the relative share of economically disadvantaged individuals (adults in title IIA and youth in title IIB); 25 percent would be allocated on the basis of the relative share of unemployed individuals; and 25 percent would be allocated on the basis of the relative concentration of economically disadvantaged individuals (adults in title IIA and youth in title IIB) in the SDA compared to the total concentration of economically disadvantaged individuals (adults in title IIA and youth in title IIB) in all SDAs in the country. (The term "concentration" is defined as the number of economically disadvantaged adults/youth in excess of 10 percent of the adult/youth population in an SDA).

When JTPA was enacted, unemployment and workforce demographics were entirely different and may have demanded a different allocation formula than is now required. At the time of JTPA's passage in 1982, our Nation was at the height of a recession, with double digit unemployment. At the same time, the economy was changing rapidly from primarily manufacturing to a high-tech and service orientation in an increasingly competitive global marketplace.

Although title II has always been a poverty program targeted at low-income persons, in 1982 the formula's emphasis on unemployment was more easily justified. That is no longer the case. Nationally, unemployment rates have dropped to their lowest level (5.2 percent in July 1989) in years and the number of unemployed persons has declined by more than one third since 1982. A shortage of entry level workers exists in many areas throughout the country. In contrast, there has been little improvement in the number of persons with incomes below the poverty level. Some 32.5 million Americans were poor in 1987, 8 million more than in 1978. Moreover, in recent years, the poor have grown poorer, and many families are experiencing a second and third generational cycle of welfare dependency.

While recognizing the need to alter the way in which funds are distributed under JTPA, the Committee is very concerned that there not be abrupt shifts in resources from state to state, and from SDA to SDA. The Committee believes that a phase-in period is needed to accomplish a smooth transition to the new allocation formula that will not disrupt the delivery of JTPA services. For these reasons, the bill provides that each state is held harmless in FY90, FY91, and FY92 at 100 percent of its FY89 funding levels under both title IIA and title IIB. This approach also ensures that the new allocation formula will be based upon updated poverty data that will become available in 1992 after the 1990 Census data is compiled. The Committee has provided, however, for a shift in the allocation of resources among SDAs within states beginning in FY90 in order to begin to target funding to the eligible poor.

The Committee is aware that the presence of the concentration factor in the allocation formula provides an incentive for SDAs to alter their boundaries in order to take advantage of that element of the formula. The Committee certainly does not intend to encourage such activities and will monitor the implementation of the new formula to ensure that it does not produce such unintended effects.

Numerous SDAs and PICs have called for more funding stability from year to year as individual SDA funding has fluctuated due to changes in annual JTPA appropriations and local levels of unemployment. The bill's requirement that no SDA receive less than 90 percent or more than 115 percent of its previous year's allocation percentage will help to address the need for more predictable funding from year to year and will assist PICs and SDAs in their program planning activities.

For the purpose of determining title IIA allocations, the bill defines the term "economically disadvantaged" to exclude individuals who are less than 22 years of age and more than 73 years of age. To the extent feasible, college students and military personnel are also to be excluded from the calculation of the number of economically disadvantaged adults and youth under the title IIA and title IIB allocation formulas.

The Committee has made these adjustments in the data used to calculate the JTPA program allocations in order to minimize distortions in the distribution of JTPA resources caused by concentrations of retirees, college students, and military personnel who might meet the income eligibility requirements of JTPA but, in general, do not require or desire employment and training services. The Committee wishes to emphasize that these adjustments are included in the bill only for the purpose of calculating the allocations and do not limit or change in any way the basic eligibility requirements for the adult or youth programs. These requirements do not impose any upper limit on the age of adult JTPA participants.

Transfer of Funds Between Title IIA and Title IIB

The Committee recognizes the need for local flexibility and variations in local economic and demographic characteristics. In certain areas, economic realities may demand more resources for adult training activities, while in other areas high concentrations of at-risk youth may demand additional resources. Therefore, S. 543 permits local areas to transfer up to 10 percent of funds between title IIA and title IIB in order to respond to specific areas of need.

In addition, the Committee stresses that the funds received by SDAs under the new formula should be targeted to those areas within the SDA where the need is greatest such as to areas with pockets of poverty or to areas with high levels of unemployment.

Eligibility for Title IIA and Program Design

Tightening the eligibility requirements for the title II adult program was a primary objective of the Committee in light of numerous reports about creaming of JTPA participants. The bill revises the eligibility rules for the adult program by requiring that 70 percent of eligible participants meet 1 of 7 specific barriers to employment in addition to their poverty. These barriers include: a basic skills deficiency, the lack of a high school diploma, welfare dependency, unemployment exceeding 6 months, homelessness, a disability or a criminal record. Individuals served under the 10 percent "window" for non-economically disadvantaged participants must meet at least 2 barriers to employment. These individuals with barriers include, but are not limited to, people who have limited English proficiency, displaced homemakers, older workers, veterans, alcoholics or addicts.

In addition to tightening eligibility rules, the Committee wishes to ensure that every adult program participant receives the skills and training necessary to improve his or her life-long employability. The Committee believes that education and basic skills proficiency is a fundamental component of job training and that the ability to read and write is fundamental in today's economy for improving one's long-term income earning potential.

The bill therefore mandates that each participant in a title IIA program be assessed for education/basic skills levels and service needs, and that a service strategy be developed based on that assessment. A new assessment in title IIA and title IIB is not required when a "recent" assessment has been conducted in another education or training program. The Committee intends that "recent" be interpreted as being within one year. The service strategy shall include employment goals and achievement objectives with a description of the sequence of services to be provided for the participant. Education/basic skills or occupational skills training must be provided if it is determined to be necessary in the assessment, and progress in meeting the service strategy goals must be documented and reviewed periodically.

In requiring assessments for all JTPA participants, the Committee recognizes that such assessments will be meaningful only if they are carried out in such way as to ensure enrollment in appropriate services following identification of each participant's skill levels and service needs. The Committee also recognizes that some participants may receive suitable assessments under other publicly-funded education or training programs and that individual communities must be given the flexibility to design mechanisms for assignment to appropriate JTPA activities following such assessments. To protect the integrity of the assessment process while preserving local flexibility, the Committee encourages the Department to develop regulations that ensure that assessments will be conducted by qualified staff to prevent inappropriate assignment of JTPA participants.

The Committee intends that the assessment, development of service strategies and monitoring of the progress of program participants be part of an individualized case management system. The Committee recognizes that the case management approach will be a new way of conducting business for many SDAs. Nonetheless, the Committee views the development and implementation of this type of approach to the delivery of JTPA services as critical to the achievement of successful and meaningful outcomes for JTPA participants.

Case management should not be interpreted to mean that all services required by a participant must be provided by the same provider. In fact, the Committee recognizes the merit of a contractor providing a service where it has established expertise and discourages single providers from providing a "smorgasbord" of services to individual participants. The Committee places a priority on continuity of services. This will require individual case management especially when an individual's service strategy calls for sequence of services from different providers.

The Committee notes that S. 543 authorizes services to assist program participants in retaining unsubsidized employment. Retention services may be provided as part of an overall service strategy. In many cases, post-placement counseling and retention services can be a determining factor in whether or not an individual is successful in maintaining unsubsidized employment.

Another fundamental change from the current Act is that activities such as job search, job search skills training, job clubs and work experience in the public sector must be accompanied by other services designed to increase a participant's basic education or occupational skills. The only exception to this requirements occurs when these activities are unavailable through employment service agencies. This change reflects the Committee's review of research and evaluation studies that demonstrate that quick turnaround placement programs have minimal long-term impact when provided in isolation from other more comprehensive and intensive services.

The Committee believes that the strong emphasis on education in the Job Training and Basic Skills Act is an appropriate one and grounded by significant research and practical experience. The Committee recognizes that the major responsibility of the JTPA system is not to provide an education to participants—that is the responsibility of the education system. At the same time, the Committee recognizes that basic education is not an issue the JTPA can afford to ignore.

An additional objective of the Committee is to enhance coordination of JTPA adult programs with a wide array of other federal programs serving disadvantaged adults. The bill requires SDAs to establish appropriate cooperative arrangements with such programs as adult education, vocational education, the employment service, JOBS, food stamps, apprenticeship programs and homeless assistance programs.

Consolidated Youth Programming Under Title IIB

S. 543 consolidates services for youth by converting the title IIB summer youth program into a year-round program for disadvantaged youth. The bill transfers 40 percent of funds currently allocated to youth programs in title IIA into the title IIB program, thus creating one title for adult and one title for youth employment and training programs.

The Committee found, in public testimony and other public comments that have been solicited throughout the past year, overwhelming support for combining the youth programs under JTPA. According to the JTPA Advisory Committee, "the creation of a separate youth title will significantly broaden opportunities for collaboration between JTPA, local school systems and other community resources." The Advisory Committee also supported the year-round approach to providing services to in-school and out-of-school youth. The Advisory Committee report stated that such a program "may have a larger payoff for youth and employers than do the traditional stand-alone, summer employment programs."

The Committee believes that the creation of distinct adult and youth programs will promote more effective and efficient delivery of services and permit greater specialization of services to meet the different employability and skill needs of youth and adults.

Eligibility for Title IIB and Program Design

The bill tightens eligibility for the title IIB program: youth ages 16 to 21 may participate only if they are economically disadvantaged and have at least 1 of 7 barriers to employment. These barriers include: a basic skills deficiency, a poor academic or attendance record (for in-school youth) or lack of a high school diploma (for out-of-school youth), parenthood, homelessness, a disability, limited English proficiency, or a criminal record. A pattern of disruptive behavior is listed in the bill as an additional barrier to employment for in-school youth. An additional 10 percent "window" has been created in the title IIB program for non-economically disadvantaged youth who meet at least 2 other barriers to employment.

S. 543 includes several additional requirements for the title IIB program. At least 50 percent of youth served in title IIB must be out-of-school youth. SDAs will have the option to serve youth ages 14 or 15, and ages 22 to 24, in title IIB programs, if appropriate and specified in the job training plan. The Committee intends to give SDAs flexibility in serving disadvantaged youth ages 22 to 24 in the youth program, as well as in the adult program. These youth experience considerable difficulty in the labor market and are especially vulnerable to chronic unemployment. As in the title IIA program, the Committee expects that SDAs will move toward a case management approach in conducting youth programming.

S. 543 imposes important new conditions for the participation of high school dropouts under the age of 18. These require dropouts to reenroll in school or attend some type of alternative high school, a GED program or other educational program. Enduring that young dropouts are provided education and the opportunity to earn a high school diploma or a GED is necessary to improving their life-long income earning potential.

Each participant in the title IIB program must be assessed for basic skills levels and service needs, and individual service strategies must be developed based on that assessment. Basic skills or occupational skills training must be provided if it is determined to be necessary in the assessment, and the individual's progress must be reviewed periodically. Pre-employment and work maturity skills training, work experience combined with skills training, and supportive services must also be provided where the assessment and service strategy indicate such services are necessary.

The bill provides that youth programs must be operated on a year round, full-time basis; however, a youth may be served in a summer jobs program as long as he or she is in a year-round training or education program, and participation in the summer program is consistent with the individual's service strategy. This requirement will ensure that each participant has been assessed under the youth program and has had an individual service strategy completed with goals and objectives specified. This process recognizes individual deficiencies and needs by providing a specialized service strategy for each participant. The completion and the review of these service strategies will also enhance program accountability.

The Committee intends that each title IIB youth participant receive over a 12-month period education and training services that are coordinated by the SDA with local service providers, including local educational agencies. The year-round service requirement does not mean, however, that a school normally in operation for 9 months must provide 12 months of educational activities in order to provide services under the title IIB program.

The Committee recognizes that the replacement of the summer youth program may be controversial in some areas, particularly large cities where thousands of young people are introduced to the workforce. It is not the intent of the Committee to eliminate the summer program altogether, but to ensure that summer jobs are accompanied by additional education or training during the rest of the year.

While the concept of short-term summer programming had much merit at the time JTPA was enacted in 1982, current low levels of unemployment in many communities have created a bidding war among employers seeking entry level workers. Many more job opprtunities now exist for young people. Thus, the Committee has placed a greater priority on using the limited resources available to improve the long-term employability skills of at-risk youth than on financing brief work experiences in primarily low-skilled, low-wage positions.

The Committee has been impressed by efforts in some communities to integrate JTPA-funded youth programs with community and youth service activities. In Philadelphia, for example, JTPA funds are combined with private funds to support a full-time urban youth service corps that provides training, education, service opportunities and jobs to economically disadvantaged youth. In order to promote such successful youth service models, S. 543 provides explicitly that the title IIB program may include training or education that is combined with community and youth service opportunities.

S. 543 requires formal agreements between SDAs and appropriate education agencies for review of methods of assessment, referral of in-school youth to the program and notification of dropouts. SDAs are required also to coordinate and establish cooperative agreements with other federal human resource programs as appropriate.

The Committee wishes to clarify its intent, for SDAs that encompass a broad area in which there are numerous educational agencies, that SDAs are not required to establish a formal agreement with each educational agency within the SDA. Rather, it is intended that SDAs establish such agreements only with those educational agencies that will be responsible for providing services to JTPA youth participants.

State and SDA Set-asides Under Title IIA and Title IIB

S. 543 modifies the current structure of JTPA set-asides for statewide activities. The bill provides that 9 percent of both title IIA and title IIB funds be reserved at the State level: 3 percent for incentive grants to SDAs based on program performance; 2 percent for capacity building and technical assistance; and 4 percent for State administration. In addition, the bill also creates a new Part C under title II, which authorizes a 5 percent Federal set-aside for State Innovation and Coordination Grants.

The Committee's revisions of the set-asides reflect the recommendations of the JTPA Advisory Committee, the Department of Labor, and witnesses appearing before the Committee. In revising downward the percentage of title II funds reserved at the State level, the Committee made a deliberate policy decision to maximize those funds directly available to the SDAs. The circumstances and population of each SDA are unique, and therefore local needs are often both best determined and met at that level. Passing funds directly to SDAs offers localities the greatest flexibility in serving targeted populations.

Administration Set-aside.—The bill provides that 4 percent of each State's allocation for title IIA and title IIB be retained at the State level for program administration. In applying the 4 percent administration set-aside to both title IIA and title IIB, JTPA funding for State administration would increase by about $5 million, from approximately $89 million to $94 million (at FY89 appropriations levels). This provision takes into consideration the longstanding concern of program administrators that more money be allowed for program administration. The provision will also assist States in meeting the administrative and monitoring responsibilities imposed by S. 543. To the extent that these funds will be used to pay for data collection and other management activities, the increase in funding also is designed to enhance program quality.

Capacity-building Set-aside.—The creation of the 2 percent capacity building and technical assistance set-aside reflects the Committee's priority that the JTPA system, and the people who work in it, receive the support they need to operate quality programs. The JTPA Advisory Committee also recommended that funds be set-aside for this purpose. Roughly $47 million would be allotted for this purpose (at FY89 appropriations levels). Capacity-building activities include: developing new service strategies through research and demonstration projects with specific research goals and provisions for evaluation of these goals; replicating model service designs; providing technical assistance to service providers; providing staff development and training for employees of the private industry council, the administrative entity, and service providers; developing and improving information systems; and improving dissemination of program information, teaching methods, and other materials.

State Incentive Grants Set-aside.—The Committee intends that the Governors' incentive grants be funded separately from technical assistance activities. Consequently, S. 543 provides that 3 percent of title IIA and title IIB funds be set aside for State incentive awards. This would result in the availability of approximately $71 million (at FY89 appropriations levels) for State incentive awards to encourage service to special populations. Further, the incentive awards will promote coordination between human resource systems and encourage experimentation and innovation in serving hard-to-serve populations.

The Committee believes these incentive payments can be an appropriate and effective tool in inducing the JTPA delivery system to emphasize desirable program goals. Therefore, the bill specifies that incentive grants shall be awarded to SDAs that achieve performance standards based on service to hard-to-serve individuals and on the quality of service provided, among other factors.

Currently, there is too much emphasis on cost and too little emphasis on quality in the evaluation of JTPA programs. For these and other reasons, the JTPA Advisory Committee and the Department of Labor recommended that cost standards not be used as a basis for awarding incentive payments to SDAs. The Committee has adopted this recommendation in an effort to improve program quality. The Committee continues to recognize the need for cost effective programs and intends that the Department of Labor continue to monitor program costs carefully. However, the Committee believes that tempering the excessive emphasis on costs in the JTPA system is especially important if JTPA is to maximize its effectiveness.

Older Worker Set-aside.—Although the Committee did not choose to retain the 3 percent set-aside for older workers in existing law, the Committee reiterates its interest in and support for training older persons. After reviewing the recommendations of the Department of Labor and the JTPA Advisory Committee, the Committee concluded that older individuals would be better served and gain greater access to the JTPA services by replacing the 3 percent set-aside with alternative measures.

The Committee determined that passing the 3 percent funds directly to the SDAs would provide new resources and improve the local infrastructure for meeting the employment and training needs of older Americans. The Committee has been troubled by the poor record of the States over the last five years in spending 3 percent funds. The Department of Labor estimates indicate that $30 million, or nearly 40 percent, of 3 percent money was carried over from program year 1987 to program year 1988. In contrast, SDAs, in general, have an excellent record of fully utilizing program funds.

The JTPA Advisory Committee, and the National Governors Association State JTPA Liaison Organization, testified that older workers could best be served by "mainstreaming the present State level programs with other local programs." John Kiley, Director of Job Training in the Eastern Iowa Community College District, testified that terminating the 3 percent set-aside would eliminate unnecessary paperwork, allow more money to be passed through to the SDAs, and thereby offer the localities the flexibility to develop "a more efficient combination of programs [that would] enhance and expand the activities and services available to older workers."

The Committee continues to recognize the important role that older workers play in the labor market, particularly with an aging population. Consequently, S. 543 includes several provisions to ensure that the needs of older workers are recognized and met throughout the JTPA delivery system.

The bill replaces the 3 percent set-aside with the requirement that at least 5 percent of the adult participants in the title IIA program in each SDA be age 55 or older. This new provision establishes older workers as the only specifically identified population that the SDAs are mandated to serve in S. 543. The Committee intends that this new requirement set a floor for older individual participation levels so that the number of older individuals served in the adult program will be maintained and increased.

The bill also includes several provisions that specifically define older individuals as a targeted population. SDAs will therefore be required to describe the characteristics of their older worker population in their job training plans, and the plans they have for meeting the needs of this population.

To support and maintain existing and successful older worker programs, the bill contains an additional requirement that SDAs, in selecting service providers, must give priority to service providers with "demonstrated records of effective servcie" to older workers.

The bill requires the Secretary of Labor to report to Congress by 1992 on the extent to which older individuals are being served in the title IIA program, the socioeconomic characteristics of those being served, and the extent to which older individuals are placed in full-time and part-time employment.

Finally, the Committee unanimously adopted an amendment offered by Senator Kassebaum designed to further enhance JTPA job training services for older workers. This amendment provides that

Governor's Coordination and Special Services Plan include criteria for coordination JTPA activities with local agencies on aging, as well as with other programs operated under Title V of the Older Americans Act. The amendment also includes a requirement that the Governor's plan include a description of the manner in which the state will encourage services to older workers through the SDAs, including plans for facilitating the provision of services across service delivery areas within a state.

Education Coordination Set-aside.—The 8 percent set-aside for education coordination under title IIA in current law is replaced in S. 543 by a new federal set aside of 5 percent of title II funds for State Innovation and Coordination Grants (described in detail below).

The Committee believes that the 8 percent set-aside has never been fully used as intended or to its fullest potential. Twila Young, a JTPA consultant and a member of the JTPA Advisory Committee testified that the purpose of the 8 percent set-aside was "worthy . . . and deserved to be tried. However, . . . the 8 percent set-aside has not accomplished its purpose. It has become instead a locus of political in-fighting, turf portection, and piecemeal pet projects. It is time to eliminate it."

The Mayor of Louisville, Kentucky, Jerry Abramson, further testified that his SDA, the largest in the State of Kentucky, does not receive any 8 percent money from the State at all. Ann Abel, an SDA director in Danville, Illinois, and a member of the JTPA Advisory Committee, further testified that special set-aside such as the 8 percent (and the 3 percent), "do not consistently assure joint planning, funding and service delivery on behalf of disadvantaged persons. With genuine collaboration, the education system stands to gain access to increased JTPA funds, and unskilled, jobless youth stand to gain the skills that will enable them to become productive and self-sufficient members of the workforce."

In light of these widely recognized concerns, the Committee's amendments take a different approach to encouraging close cooperation between the job training and educational systems. This approach moves beyond the State-level education coordination set-aside to force real and meaningful collaboration between the job training, employment and education sectors. By requiring that formal agreements be established between the job training and education systems, the two systems will be integrated in a way that has not taken place under the current 8 percent set-aside. Provisions for research, demonstration, and program replication in S. 543 may also support some programs currently funded under the 8 percent set-aside.

Title IIC State Innovation and Coordination Grants

S. 543 creates a new part C in title II for State Innovation and Coordination Grants by reserving 5 percent of title II funds for the Secretary of Labor to make awards to States based on the submission by the State of a coordination and innnovation plan to the Secretary of Labor. The Committee intends that every State participate in this new initiative and S. 543 provides that the size of the award would be based on each State's relative share of the formula allotment for title IIA and title IIB.

The Committee applauds the efforts already ongoing in many States to bring about a closer coordination between human resources programs that goes beyond education and job training systems. Clearly, there are States that already have made great progress in these areas. For example, the state of Wisconsin has had exemplary success with its "Education for Employment" program that provides instruction in the practical application of basic skills, school-supervised work experiences, and career exploration and planning. The success of this JTPA-coordinated initiative has been built upon effective communication and coordination with business, labor organizations and education agencies. Wisconsin has recognized the need to determine the expectations of educators, employers and program participants and has utilized the full participation of these partners in educating and training disadvantaged youth. The Committee believes every State will benefit from stronger federal incentives to implement models of organizational, institutional and program coordination such as Wisconsin's Education for Employment program.

S. 543 provides that each State's award would be renewable for 2 succeeding fiscal years if the conditions of the grant have been met in the previous fiscal year. The Committee does *not* intend that State grants be terminated at the end of the three-year period; rather, the Committee intends that each State submit a new innovation and coordination plan, which would be subject to the approval of the Secretary of Labor. The Committee believes that this review mechanism will facilitate the periodic assessment of the effectiveness of statewide activities conducted under the innovation and coordination plan.

The Committee expects the new 5 percent federal set-aside to be an attractive "carrot" to encourage States to bring the appropriate actors and State agencies to the table to tackle heretofore intractable problems related to chronic unemployment and welfare dependency. The innovation and coordination grants must be used by States to establish specific human resources goals; develop cooperative programming across State employment and training, education agencies and welfare agencies; encourage change in program implementation that promotes comprehensive and coordinated education, training and employment goals for "at-risk" youth and adults; and coordinate activities across various Federal employment, education and training related programs.

The Committee believes that innovation and coordination activities are more readily institutionalized when State, local and private resources are committed along with Federal resources. Therefore, the bill limits the federal share of the costs of the innovation and corrdination activities to 80 percent and proscribes that remaining costs may not be paid from other federal sources. The Committee intends that the remaining share be paid from State and local resources (including, but not limited to, in-kind contributions) and private funds.

The Committee wishes to give States maximum flexibility in determining goals and priorities to be addressed with the 5 percent funds. At the same time, in order to assure accountability and maximize the prospects for real improvements in the quality of services provided to JTPA program participants, the Committee has constructed parameters within which the 5 percent funds may be utilized. The bill mandates that no more than 15 percent of innovation and coordination grants may be used for administrative costs; no more than 35 percent may be used for activities such as strategic planning, activities, designed to facilitate coordination of JTPA services with education and other human resource systems, or improvements in JTPA management information systems; and no less than 50 percent of the funds may be expended on training, education and employment services.

Native Americans

Indian tribes and organizations representing Native Americans have expressed concerns to the Committee about the way in which Native American programs are being administered within the Department of Labor. These concerns include the fragmentation of authority over policy affecting Native American grantees, the duplication of monitoring functions, and the imposition of performance and administrative standards that seem unsuited to the effective operation and sound management of the programs.

The bill includes language in part A of title IV to ensure that there is a single point of accountability within the Department of Labor's structure for the many different aspects of its dealing with grantees. The Department is also required to increase its efforts to attract Native American staff. The Committee encourages the Department to renew its commitment to recuriting Native American staff at all levels, including in positions responsible for program policy, and will carefully monitor its progress toward this goal.

The Committee believes that Native American programs can attain the objectives set out for them in Section 401 of the Act only when the Department of Labor has staff in appropriate policy and supporting positions who thoroughly understand what it takes to serve the jobless in Native American communities and when there is an open, ongoing dialogue between the Department and program operators.

The bill requires the Department of Labor to establish an Advisory Council for Native American job training programs that will directly represent Inidan tribal governments, off-reservation Indian organizations, Native Alaskan organizations, Native Hawaiians and American Samoans. The Committee expects the Secretary to work closely with this Council, taking full advantage of the suggestions of its members and the constituencies they represent, on ways to 1) better serve participant needs, 2) build a stronger human and economic resource base in Native American communities, 3) more effectively integrate JTPA services with related Indian programs, and 4) reduce the administrative burdens currently associated with Native American JTPA grants.

The Committee is aware that the Department of Labor has interpeted OMB Circular A-122 to prohibit grantees from using grant funds for legal, accounting or other consulting services relating to an audit after the grant officer issues a final determination. This precludes grantees from utilizing these resources for such services to resolve the audit matters during review of the grant officer's determination in hearings before an administrative law judge and during the final reivew of the matter by the Secretary. The Committee is also aware that the Department of Health and Human Services, the largest grant making agency in the Federal government, has a different interpretation of OMB Circular A-122 which allows grant funds to be used for such services until a final determination is made by the Secretary.

The Department of Labor's interpretation has proven particularly burdensome for nonprofit and single-purpose organizations, such as organizations providing job training services to migrant and seasonal farmworkers under Section 402 of the Act. These grantees have no private resources available to obtain assistance in resolving audit matters during the important adminstrative proceedings before the Department's administrative law judge and the Secretary. The Committee therefore requests that the Department of Labor review this matter, giving full consideration to the HHS interpretation. The Committee further requests that the Department submit a written report to the Committee regarding any appropriate procedural changes that can be made to permit grantees to utilize grant funds for reasonable and necessary costs associated with audit resolutions in any Departmental proceedings.

Job Corps

The Committee considered and adopted with modification the request of the Department of Labor to increase from 10 percent to 20 percent the ceiling on the percentage of individuals who may be enrolled in Job Corps as non-residential participants. The bill includes language in part B of title IV, however, to ensure that the number of non-residential slots will not increase at the expense of a decrease in the number of residential slots.

National Partnership, Research and Demonstration, Evaluation, Training and Technical Assistance Activities

S. 543 simplifies, consolidates and updates current law provisions in part D of title IV relating to national partnerships, research and demonstration, pilot projects, evaluation, training and technical assistance, and projects for special populations.

The bill requires the Secretary of Labor to develop and publish a strategic, multiyear plan for the development and expansion of the employment and training system to provide a national framework for capacity development. A significant finding of the JTPA Advisory Committee is that federal training and technical assistance responsibilities have been neglected. The Advisory Committee recommended that a new line item be established to "create and sustain a network of multiregional training institutes and institutional grants for a small group of colleges and universities."

Pursuant to this recommendation, the training and technical assistance authorities for the Secretary of Labor are enhanced to include authorization for regional training institutes to strengthen the caliber of Federal, State and local employment and training services. The bill provides that 5 percent of the capacity-building funds set aside at the State level shall be used to support this activity.

National Occupational Information Coordinating Committee

The bill authorizes in part E of title IV the National Occupational Information Coordinating Committee (NOICC) at no less than $6 million. The Committee has been impressed with the success of the NOICC network in improving communication and coordination among producers and users of occupational and career information. The Committee believes these funds will provide a critical link in supporting activities under this Act in areas such as helping job training and economic development program planners identify the occupations for which there is future demand; providing career information for a range of clients from early childhood through adulthood; and serving as a primary source of occupational information for the State Job Training Coordinating Council.

National Commission for Employment Policy

S. 543 authorizes the National Commission for Employment Policy at a level of $1 million. The Committee has been troubled by events over the past several years that have shaken public confidence in the objectivity and quality of the Commission's research products. The Committee understands that the Commission now has new leadership and expects that the Commission will improve the quality of future work.

Replication of Successful Programs

The bill authorizes a new program in part H of title IV at $10 million in FY 90, and such sums as necessary thereafter, for the replication of innovative and successful adult, youth and dislocated worker employment and training models throughout the JTPA system. As Marion Wright Edelman, president of the Children's Defense Fund, testified before the Subcommittee on Employment and Productivity, "a focused replication effort within JTPA is long overdue. No business or corporation could survive without some way of field testing its products or services, incorporating the lessons learned and franchising the results throughout the firm. We need a similar mechanism."

The Department of Labor is credited with already undertaking a similar kind of replication on a limited scale in its national pilot and demonstration efforts. One example, the Summer Training and Education Program, developed by the Public/Private Ventures organization in dozens of communities throughout the country represents what we should be doing systematically for successful programs. Similarly, national pilot projects conducted by the Department have been in the forefront of the design and delivery of training and job placement services for individuals with disabilities.

While the Committee recognizes that the funding level authorized is relatively small, we believe that this program could have a large impact on the JTPA system by providing for the diffusion of successful models within and across States and improving the use of far larger sums available under title II. The Committee anticipates that this new program will replicate within the Department of Labor the successful National Diffusion Network in the Department of Education.

S. 543 provides that a review panel selected by the Secretary of Labor would select and designate model programs that are likely to be replicable on a large scale and successful in improving the employment prospects of economically disadvantaged adults, youth and dislocated workers.

Fair Chance Youth Opportunities Unlimited Program

S. 543 establishes a new youth initiative, the Fair Chance Youth Opportunities Unlimited Program in part I of title IV of JTPA. It combines elements of a proposal described in the William T. Grant Foundation report, "The Forgotten Half: Pathways to Success for America's Youth and Young Families," and the Youth Opportunities Unlimited proposal advanced by the Department of Labor.

The Committee recognizes that we invest too little in education and training for the majority of our young people who do not go on to college after high school and for those who do not complete high school. The Fair Chance program is intended to provide additional federal resources to expand and intensify education and training opportunities for youth in our Nation's most poverty stricken communities. It further acknowledges that local communities experience difficulty integrating the variety of Federal, State and local resources that can meet the multiple needs of disadvantaged youth in impoverished areas.

The Committee anticipates the achievement of several goals under this new program. One goal is to encourage and equalize opportunities between youth who go in to college and those who do not. Another goal is to increase access to education, training and employment opportunities. A third goal is to foster cooperation and coalition-building among education and training institutions, and the employing communities and to stimulate the development of coordinated, comprehensive and cost-effective systems for education and training needs. The Committee recognizes that employment and education must often occur simultaneously for low-income youth. Therefore, the Committee urges that employers and the education and training community work together to provide integrated "employment-learning" programs. An additional purpose of the Fair Chance program is to provide sufficient aid and support services so that youth will enroll in and complete education and training programs.

The Committee believes that access to private sector employment opportunities for youth participating in Fair Chance projects would be advanced by strong public-private collaborations. Experience in Boston and other cities demonstrates that the market for jobs for young people can be organized, assuring that young people who stay in high school or alternative training and education programs will gain access to stable employment and the possibility of a secure economic future. Such public-private initiatives recognize that the youth labor market is chaotic, and that information is often inadequate or inaccurate.

The Fair Chance Youth program recognizes the value of these initiatives by encouraging participating communities to develop public-private colaborations that organize the transition from school or training to work. Effective efforts in this area typically include the following elements:

Private firm commitment to priority hiring of young people in public education and publicly funded training programs;

The recruitment of a substantial number of firms to participate in the collaboration;

The organization of a newtork of career specialists to coach young people, organize interviews, and work with employers; and

Recognition of a portion of wages paid by the private sector to hard-to-employ youth as non-Federal "matching" funds.

The Committee hopes that the Fair Chance program will be administered in a manner that stimulates the development of public-private collaborations that embody these key elements.

The bill provides that the program will be administered by the Secretary of Labor and will target communities with poverty rates of 30 percent or more. The Committee intends that priority in awarding funds be given to applications representing areas with the highest degree of poverty, and with the ability to offer the most comprehensive services. The program's requirements ensure that additional goals for the target communities will address such critical issues, as increasing safety or reducing the number of drug-related arrests.

S. 543 authorizes the new youth program at $25 million in FY90, $50 million in FY91 and such sums as necessary thereafter. The federal grants will pay 50 percent of the costs of each Fair Chance project; participating communities must meet the remaining costs with other Federal, State, local or private resources. The bill includes a stipulation that each participating community may not provide more than 25 precent of its share of program costs from non-JTPA federal funds. The Committee intends that communities may use State and local in-kind resources to assist in meeting the matching requirements of the program.

Displaced Homemakers

S. 543 establishes a new part J of title IV authorizing a new initiative to stimulate the development of comprehensive and innovative approaches to delivering services to displaced homemakers who are economically disadvantaged. The bill's provisions are based upon legislation introduced by Senator Paul Simon, S. 1107, and hearings held on June 1, 1989 by the Subcommittee on Employment and Productivity.

The Committee believes that the unique employment and training needs of displaced homemakers necessitate special approaches to meeting those needs. Displaced homemakers face many serious barriers to employment such as limited or nonexistent paid work experience, outdated skills, loss of self-esteem, shock and loss associated with the death of a spouse or a divorce, age, sex and race discrimination, and other problems that arise from their status as displaced homemakers. Many of these problems are issues that the basic JTPA adult program could address.

Nonetheless, the Committee heard testimony that too few of JTPA programs are designed to address displaced homemakers' unique barriers. According to Department of Labor estimates, only 21,000 displaced homemakers received services under title IIA in program year 1987, in contrast to an estimated 4 million who are eligible for services. According to one witness, Cindy Marano, executive director of Wider Opportunities for Women:

> The transfer of skills and confidence-building which displaced homemakers need is nearly never provided in programs designed for other target populations. This lack has been apparent in WOW's assessment of resources available for displaced homemakers in D.C. While education and training programs are available which could meet their needs, very few recognize or address the pretraining needs of the population. Additionally, while last year's dislocated worker amendments to JTPA gave States the option of including displaced homemakers in programs for dislocated workers, most States have chosen not to include them. Even when it has occurred, only rarely have programs been designed to provide appropriate help.

The Committee expects that the new program authorized in S. 543 will contribute to the development of effective and specially designed programs for displaced homemakers and build upon what we already know about providing services to this population. S. 543 authorizes the Secretary of Labor to award grants to Statewide public agencies and Statewide nonprofit organizations that have demonstrated their ability to administer effectively a diversified education, training and employability program specially designed for and targeted to displaced homemakers.

The bill authorizes $15 million in FY90 and such sums as necessary thereafter for this initiative. The Committee intends that these funds supplement and not supplant the funds that would, in the absence of such funds, be made available from other Federal and non-federal sources to provide services for displaced homemakers.

TITLE II—STATE HUMAN RESOURCE INVESTMENT COUNCIL

The bill replaces the State Job Training Coordinating Council (SJTCC) with a new State Human Resource Investment Council with authority to review and coordinate the provision of services and use of funds under JTPA with the Adult Education Act, the Carl D. Perkins Vocational Education Act, the Wagner-Peyser Act, and the Job Opportunities and Basic Skills Program of the Family Support Act. The Council is also authorized to advise the Governor on the implementation and coordination of State and local performance standards and measures for these programs.

In replacing the SJTCC with a State council with broader authority to review services provided through separate but related employment and training and education programs, the Committee recognizes and supports the need for coordination of efforts under these applicable programs. Similar to other provisions in S. 543 that are intended to encourage coordination and collaboration among JTPA and related programs, the Committee believes that broadening the purview of the existing SJTCC with the new State Council will help to bring related, but fragmented, programs into more effective and rational working relationships. The Committee has not, however, replaced existing State advisory councils for the Federal adult and vocational education programs. The Committee will consider this matter in the context of the reauthorization of the Carl Perkins Vocational Education Act.

The Committee intends that the membership of the State Council be balanced with broad representation from business and industry, organized labor and community-based organizations, State agencies responsible for administering applicable employment and education programs, as well as vocational rehabilitation programs, and local government, education and welfare entities, and individuals with special expertise. The Committee further intends that each Governor comply closely with the proportional representation for each category of membership of the State Council specified in S. 543.

Transition Provisions

The effective date of S. 543 is July 1, 1990, the beginning of JTPA program year 1990. In order to ensure an orderly implementation of the new law, S. 543 grants the Secretary authority to establish rules and procedures that may be necessary for a smooth transition and implementation of the new program requirements. The Committee encourages the Department of Labor to issue new program guidance and regulations as promptly as possible to give States, SDAs and JTPA program administrators timely information regarding the implementation of S. 543. The Committee notes that this information is critical in assisting States and SDAs in their program planning activities, and in avoiding the disruption of services to current JTPA program participants.

VI. Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, September 5, 1989.

Hon. Edward M. Kennedy,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate of S. 543, the Job Training and Basic Skills Act of 1989, as ordered reported by the Committee on Labor and Human Resources on July 26, 1989.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

Robert D. Reischauer,
Director.

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 543.
2. Bill title: Job Training and Basic Skills Act of 1989.
3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on July 26, 1989.
4. Bill purpose: To establish programs to prepare adults, youth and specific target populations facing serious barriers to employ-

ment for participation in the labor force by providing services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1990	1991	1992	1993	1994
Adult and youth opportunity programs:					
Estimated change in authorization	196	209	222	236	250
Estimated change in outlays	24	362	208	230	244
Replication of successful programs:					
Estimated authorization	10	10	11	11	12
Estimated outlays	(1)	8	10	11	11
Fair Chance Youth Opportunities Program:					
Estimated authorization	25	50	52	55	57
Estimated outlays	1	19	42	50	54
Displaced homemakers:					
Estimated authorization	15	16	16	17	18
Estimated outlays	2	12	16	16	17
Studies:					
Estimated authorization	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)
Total authorization	246	285	301	319	337
Total outlays	27	401	276	307	326

[1] Less than $500,000.

The costs of this bill fall within budget function 500.

Basis of estimate: S. 543 would authorize $1.2 billion in fiscal year 1990 for Title II Part A—Adult Opportunity Programs and $1.5 billion in fiscal year 1990 for Title II Part B—Youth Opportunity Programs. These programs are currently authorized at such sums as may be necessary. In addition, S. 543 would establish a Part C to Title II—The Innovation and Coordination Grants program. The funds available for these grants would be 5 percent of the Adult Opportunities Program appropriation and 5 percent of the Youth Opportunities Program appropriation.

The CBO cost estimate for fiscal year 1990 for Title II—Parts A and B of this bill—reflects the difference between the 1989 appropriation adjusted for inflation (our estimate of the current authorization) and the 1990 authorization level stated in the bill. The outyear estimates reflect the difference between the 1989 appropriation adjusted for inflation and the 1990 authorization level stated in the bill adjusted for inflation. The CBO assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

The increase in outlays for fiscal year 1991 for the Adult and Youth Opportunities Program is due to a shift of funds from the Summer Youth program to the Youth Opportunities program, as well as, an increase in the authorization level for the Youth Opportunities program. Unlike the Summer Youth program, the Youth Opportunities program is not solely a summer program, and therefore, spends funds much more quickly. In particular, the spend-out rate would increase from zero to 2.6 percent for the first year and from 67 percent to 89 percent in the second year. If there had been no increase in the authorization level for Part B and only the shifts in program funding, the different spendout rates would have increased estimated outlays in fiscal year 1991 by $183 million from current estimates. The authorization level for Part A would decrease by $665 million and the authorization level for Part B would increase $874 million in fiscal year 1991, a net increase of $209 million.

S. 543 would establish three new programs under Title IV. The programs are the Replication of Successful Programs, the Fair Chance Youth Opportunities and the Displaced Homemakers. The 1990 authorization levels for all three programs are stated in the bill. In addition, the 1991 authorization level for the Fair Chance Youth Opportunities Program is stated in the bill. The outyear estimates reflect the stated levels adjusted for inflation. The CBO assumes that all authorizations are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

The bill would provide for the Secretary of Labor and the Comptroller General to conduct several evaluation studies. Although the bill does not specifically state an authorization level, CBO estimates the cost of these studies would be $200,000 annually. The estimated cost of these studies is based upon similar studies done currently.

In addition to setting new authorization levels for current programs and authorizing new programs, S. 543 would establish new allocation formulas for existing programs. The allocation for the National Commission for Employment Policy would be lowered from $2 million annually to $1 million annually. S. 543 also would reduce the allocation percentages for the Native American Programs—3.3 percent to 3.1 percent, and the Migrant and Seasonal Farmworker Programs—3.2 percent to 2.3 percent. Currently, the allocation for these programs is determined as a percentage of the funds appropriated for Title II Part A. S. 543 would change that allocation to a percentage of the funds appropriated for Title II both Parts A and B. The changes in the allocation percentages are not expected to affect spendout rates.

6. Estimated cost to State and local government: S. 543 would establish a new program available to the states under Part C of Title II and the federal share of this program is eighty percent. The fiscal year 1990 authorization for Part C would be $135 million. Assuming the entire federal share is expended, the cost to state and local governments would be $34 million in fiscal year 1990.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Cory Leach.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

VII. Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the following statement of the regulatory impact of S. 543 is made:

A. Estimated Number of Individuals and Businesses Regulated and Their Groups or Classifications

This legislation will not result in an increase in the number of individuals and businesses regulated under JTPA. The JTPA program encourages business involvement in training and placing economically disadvantaged persons in permanent private sector jobs. Individuals and businesses who do not elect to participate in the JTPA program will not be affected by S. 543. Those businesses and individuals choosing to participate will be subject to the legislation and regulations promulgated by the Department of Labor pursuant to S. 543.

There is no estimate available as to the number of businesses that will be involved in the JTPA activities affected by this legislation either in the planning and administration of the program or by participation in the program as employers offering training to participants.

B. Economic Impact on the Individuals, Consumers and Businesses Affected

The purpose of S. 543 is to improve the JTPA program by better focusing its resources on those facing serious barriers to employment and serving them in a manner that will promote job placement, retention and long-term employability. If the goals of this legislation are realized, hundreds of thousands of persons will find new employment, increase their earnings and decrease their welfare dependency. The result will be increased revenues for and decreased income support payments from the government. Businesses will benefit from the availability of a workforce with improved skills, capabilities and productivity. The Committee believes that this legislation will enhance the Nation's economic competitiveness and contribute to economic growth and prosperity, and will make significant strides towards alleviating poverty and dependency.

C. Impact of the Act on Personal Privacy

This legislation has no impact on personal privacy. The collection of data may be necessary to evaluate the effectiveness of programs conducted under the Act; however, these data do not have any new personal privacy implications.

D. Additional Paperwork, Time and Costs

S. 543 may result in some additional paperwork, time and costs due to some new requirements relating to the job training plan, procurement standards, the Governor's coordination plan and the revised title II program. This legislation, however, generally builds upon the existing administrative, reporting and recordkeeping systems in JTPA. The Committee has no accurate way of quantifying additional paperwork, time or costs that may be associated with the provisions of this legislation.

VIII. SECTION-BY-SECTION ANALYSIS

Sec. 1—Short Title

Job Training and Basic Skills Act of 1989.

Sec. 101—Statement of purpose

Sec. 102—Authorization of appropriations for title II

Amends Sec. 3 of the JTPA to authorize $1.223 billion in FY90 for title IIA and $1.574 billion in FY90 and such sums as necessary thereafter for title IIB. These provisions reflect the transfer of 40 percent of title IIA funds currently mandated for youth to title IIB.

Amends Sec. 3(a)(3)(B) to establish an authorization for the National Commission for Employment Policy at $1 million.

Authorizes $10 million in FY90 and such sums as necessary thereafter for part H of title IV, Replication of Successful Programs.

Authorizes $25 million in FY90, $50 million in FY91, and such sums as necessary thereafter for part I of title IV, Fair Chance Youth Opportunities Unlimited Program.

Authorizes $15 million in FY90 and such sums as necessary thereafter for part J of title IV, Employment and Training Assistance for Displaced Homemakers program.

Amends Sec. 3(e) to eliminate the funding trigger for title V of JTPA, the Jobs for Employable Dependent Individuals Act (JEDI).

Sec. 103—Definitions

Amends Sec. 4(3) to define "basic skills deficient" as "reading or computing skills at or below the 8th grade level on a generally accepted standardized test or an equivalent score on a criterion referenced test."

Amends Sec. 4(5) to revise the definition of "community-based organizations" to include "Association of Farmworkers Opportunity Programs" and "literacy organization."

Amends Sec. 4(24) to expand the definition of "supportive services" to include drug and alcohol counseling and referral, individual and family counseling and job coaches.

Amends Sec. 4(29) to revise the definition of "displaced homemaker" to be an individual who has been providing unpaid services to family members in the home, is dependent on public assistance and whose youngest child is within 2 years of losing public assistance under AFDC, or is dependent on the income of another family member whose support is no longer available, and is experiencing difficulty in the job market.

Adds a new Sec. 4(31) to define "long term recipient" as an individual who, in 36 of the 60 months preceding application for JTPA programs, received public assistance.

Adds a new Sec. 4(32) to define "educational agency" as "(A) a public school authority having administrative control of elementary schools, high schools or adult education; (B) a public or private institution which provides alternative middle or high school education; (C) any public education institution or agency having administrative control of secondary or post-secondary vocational education programs; (D) any institution legally authorized to provide post-secondary education; and (E) any post-secondary educational institution operated by or on behalf of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934." (The Act of April 16, 1934 provides for various Indian education, health and welfare programs).

Adds a new Sec. 4(35) to define "hard-to-serve individuals" as "individuals who have multiple barriers to employment and who meet at least 2 of the following criteria: long-term recipient, school dropout, unemployed for 6 months or longer, individual with a disability, offender, displaced homemaker or homeless."

Amends Sec. 4 to include additional revised and new definitions.

Sec. 104—Private industry councils (PICs)

Amends Sec. 102(a) of JTPA to require that representatives of organized labor and community-based organizations (CBOs) constitute not less than 15 percent of PIC composition. Clarifies statutory requirements regarding PIC representation from educational, vocational rehabilitation, public assistance, and economic development agencies and from public employment services.

Amends Sec. 102(c)(2) and 102(c)(3) to provide for the method of selection for education and labor representatives, respectively, on the PIC.

Amends Sec. 102(c)(4) to provide that remaining members of the PIC must include additional representatives from all sectors represented on the council, and from individuals recommended by interested organizations.

Provides for a three year phase-in of PIC composition changes.

Sec. 105—Job training plan

Amends Sec. 104 of JTPA to require additional elements to be included in the job training plan prepared by each SDA. These additional elements include a description of: (1) cooperative arrangements with other education, training and employment programs serving the disadvantaged, (2) how title II programs will contribute to the economic self-sufficiency of participants, and the productivity of the local area and the Nation; (3) goals for the training and placement of older individuals, displaced homemakers and any other targeted populations; (4) the assessment process for individual participants, competency levels to be achieved by participants, the services to be provided, and the procedures to be used for evaluating the progress of participants in achieving competencies.

Amends Sec. 104 to require further that the annual report submitted by the SDA to the Governor include additional elements relating to the number and characteristics of older individuals, displaced homemakers and other targeted populations who receive employment and training services, and the type and effectiveness of services received.

Sec. 106—Review and approval of plan

Amends Sec. 105 of JTPA to require that the job training plan be made available for review and comment by community-based organizations.

Sec. 107—Performance standards

Amends Sec. 106(a) of JTPA to adjust the criteria for measuring the basic return on investment to include indicators of long-term self-sufficiency, as measured by increased educational attainment and occupational skills, increased employment and earnings, and reduction in welfare dependency.

Amends Sec. 106(b) to (1) require the Secretary of Labor to develop performance standards for title IIA and IIB, in conjunction with the Secretary of Education and the Secretary of Health and Human Services, (2) expand the list of factors in determining performance standards for adult programs to include retention for more than 6 months in unsubsidized employment, and the acquisition of basic skills and workplace competencies, and (3) Authorizes the Secretary of Labor to prescribe differences in performance standards between in-school and out-of-school youth.

Amends Sec. 106 to require the PIC to consult with educational agencies, CBOs, and the private sector, to determine competency level standards for youth and adults.

Amends Sec. 106(b) to require each Governor to award incentive funds for achieving performance standards (except for cost standards) on the basis of such factors as the extent to which hard-to-serve individuals and target groups are successfully served, and the quality of services provided.

Amends Sec. 106(b) to require the Governor to prescribe variations in performance standards based upon specific economic, geographic and demographic criteria in current law. (This variation is presently voluntary).

Amends Sec. 106(b) to allow the Governor to prescribe additional performance standards for programs under titles II and III, and require the Secretary to prescribe performance standards for parts A, B and J of title IV.

Sec. 108—Selection of service providers

Amends Sec. 107 of JTPA to require that selection of service providers be made on a competitive basis and include documentation of compliance with state procurement standards. Requires specific justification whenever a sole source procurement is awarded.

Amends Sec. 107 to further require the SDA, in selecting service providers to serve older workers, displaced homemakers and other targeted populations, to give priority consideration to those agencies or organizations that have a demonstrated record of effective service in providing education, training or employment services to targeted populations.

Sec. 109—Limitation on certain costs

Amends Sec. 108(a) of JTPA to require that all costs be charged to appropriate cost categories, (i.e. administration, training and support). Further defines "administration" to exclude the cost of activities directly related to the provision of services to eligible individuals.

Amends Sec. 108(b) to allow no more than 15 percent of title IIA and IIB funds to be expended on administration, and no more than 35 percent to be expended on administration and support services.

Establishes allowable support costs as 50 percent of work experience expenditures under title IIA, 50 percent of work experience expenditures under title IIB in excess of 250 hours for a participant during non-summer months, supportive services, needs-based payments and performance-based incentives to participants.

Requires each SDA to ensure that all contracts, grants or other agreements with local service providers include the proportionate amounts necessary for administrative costs and supportive services.

Adds a new Sec. 108(c)(1) which allows an SDA to spend an additional 5 percent of its funds on administration if the request and justification is included in the job training plan and approved by the Governor, and the need for the additional costs is related to outreach and recruitment of hard-to-serve populations, or linkage arrangements with other programs and organizations.

Sec. 110—Service delivery area transfer and agreement

Amends title I of JTPA to include the following new sections:

Sec. 109—SDA Transfer and Agreement

Allows SDAs, with PIC approval, to enter into agreements with one another to share the cost of educating, training and placing individuals. Further provides that each SDA be credited under the appropriate performance standards.

Sec. 110—Reallotment

Authorizes the Secretary of Labor to reallot among states any amounts alloted under title II that the Secretary determines will not be able to be spent within a reasonable time. Notice and opportunity for comment are required, and reallotments must give priority to states and SDAs which satisfactorily spent the previous fiscal year's allotment.

Sec. 111—Governor's coordination and special services plan (GCSSP)

Amends Sec. 121(b) of JTPA to require the GCSSP to: (1) include criteria for coordinating JTPA activities with services provided by State and local agencies on aging, and programs operated under title V of the Older Americans Act; (2) describe the measures taken by the State to ensure coordination between JOBS and title II programs in the planning and delivery of services; (3) ensure that the State JOBS plan is consistent with the coordination criteria specified in the GCSSP and identifies the procedures for SJTCC review; and (4) describe the projected use of resources and criteria for State incentive grants and performance goals for State supported programs.

Amends Sec. 121(c) to provide that coordination and special service activities may include coordination activities between title IIA and Title III, and initiatives funded by title IIC State Innovation and Coordination Grants.

Sec. 112—Repealers

Repeals Sec. 123 and Sec. 124 of JTPA, thereby eliminating the 8 percent and 3 percent set-asides for education coordination and older worker training programs respectively.

Sec. 113—General program requirement

Amends Sec. 141(d)(3) of JTPA to provide that tuition charges for training or education provided by an institution of higher education or post-secondary institution, which are not more than the charges to the general public, do not require a breakdown of cost components.

Amends Sec. 141(g) to require that on-the-job training be limited to the amount of time required for acquisition of skills needed for a particular position, and in no event exceed 6 months.

Amends Sec. 141(p) to specify that no funds under Title II may be used for public service employment.

Sec. 114—Fiscal controls; sanctions

Amends Sec. 164(a) to require the Governor to establish procurement standards to ensure, among other things, that procurements are competitive except where sole source is specifically justified; include an analysis of the reasonableness of costs in the contract; and that local written selection procedures are established prior to seeking or considering proposals.

Sec. 115—Reports, recordkeeping, and investigations

Amends Sec. 165(c) of JTPA to require each state to monitor the compliance of service providers with the terms of grants, contracts or other agreements.

Sec. 116—Establishment of Adult Opportunity Program

Amends and restructures title IIA of JTPA as follows:

Sec. 201—Statement of Purpose

Sec. 202—Allotment

Provides that not more than one-quarter of 1 percent of the appropriation for title IIA may be allotted among the U.S. territories.

Authorizes the Secretary of Labor to reserve 5 percent of the remaining amount to award title IIC State Innovation and Coordination Grants.

Requires that, after determining the amounts alloted to the territories and to title IIC, 91 percent of the remainder be allotted to the States for allocation to the SDAs on the basis of the following formula: 50 percent on the basis of the relative share of economically disadvantaged adults, 25 percent on the basis of the relative concentration of economically disadvantaged adults, and 25 percent on the basis of the relative share of unemployed individuals. The remaining 9 percent shall be allotted to each state as follows: four-ninths for administrative management, three-ninths for incentive grants, and two-ninths for capacity building and technical assistance.

Provides that no SDA be allocated less than 90 percent, or more than 115 percent, of its allocation percentage for the previous fiscal year.

Requires that the total allotment for all SDAs within any one state not be less than one-quarter of 1 percent of the amounts available for allotment to all SDAs in all States.

Allows each PIC to reserve up to 10 percent of its title IIA allocation for experimental programming for hard-to-serve individuals. GAO must report to Congress by September 30, 1994, with an evaluation of such experimental programming.

Defines "economically disadvantaged" (for use only in the allocation formula), as adults who are at least 22 but not 73 years of age and whose family income meets poverty or low income critera. College students and members of the armed services are excluded from the "economically disadvantaged" designation.

Defines "concentration" as the number of economically disadvantaged adults in excess of 10 percent of the adult population in an SDA.

Requires that all states be held harmless at 100 percent of their FY 89 allotments for FY90, FY91, and FY92.

Sec. 203—Eligibility for services

Establishes new eligibility rules under title IIA by requiring that in addition to being ages 22 and over and economically disadvantaged, at least 70 percent of participants must be included in one or more of the following categories: basic skills deficient, school dropout, AFDC recipient, disabled, homeless, unemployed for 6 months or longer, or an offender.

Allows up to 10 percent of participants in the adult program to be individuals who are not economically disadvantaged, if they are 22 years of age or older and experience multiple barriers to employment.

Requires that not less than 5 percent of participants in the adult programs in each SDA be age 55 or older.

Allows an SDA to transfer up to 10 percent of its funds under title IIA to title IIB if a description of such transfer is included in the job training plan and approved by the Governor.

Sec. 204—Program design

Provides certain features that are to be included in all adult programs under title IIA. These include an assessment of each participant's skill levels and service needs; development of individual service strategies which identify employment, achievement objectives, and review of each participant's progress; and provision of basic skills training and occupational skills training where the assessment and service strategy indicate it is necessary. (The assessment is not required if the participant has been recently evaluated by another education or training program such as JOBS.)

Expands the list of services that may be available under title IIA to include programs which combine workplace training with related instruction, entrepreneurial training, supportive services, counseling, job clubs, provision of occupational and labor market information, case management services, job placement, and post-program follow-up services.

Requires basic skills training to have a workplace context and be integrated with occupational skills training where appropriate.

Required job search, job search skills training, job clubs and work experience to be accompanied by other services designed to increase a participant's basic eduation or occupational skills unless the assessment and service strategy indicate it is not appropriate and the additional activities are not available.

Requires that needs-based payments be limited to payments necessary for participation in the program according to local procedure.

Allows counseling and supportive services to be provided for up to one year following completion of the program.

Sec. 205—Cooperative arrangements

Requires the SDA to establish cooperative arrangements as appropriate with other federal human resources programs.

Requires SDAs to establish other cooperative arrangements as appropriate with local entities, including educational, community, literacy, volunteer, economic development, employment and social service agencies.

Sec. 206—Studies relating to placement and target populations

Requires GAO to report to Congress within 2 years regarding how many and what percentage of adults served in the adult program remain employed for at least 9 months after completion of the program.

Requires the Secretary of Labor to report to Congress by December 30, 1992 on the extent to which older individuals and displaced homemakers are being served in the title IIA program, the socioeconomic characteristics of these participants, the effectiveness of the services received, and the extent to which these groups are placed in unsubsidized employment, including the extent to which older workers are placed in part-time versus full-time employment.

Sec. 117.—Establishment of Youth Opportunity Program

Amends and restructures of title IIB of JTPA as follows:

Sec. 251—Statement of purpose

Expands the purpose of title IIB programs to improve long-term employability, enhance educational and occupational skills, encourage school completion or enrollment in alternative schools, increase the employment and earnings of youth, reduce welfare dependency, and assist youth in addressing problems which impair their transitions from school to work, apprenticeship, the military or post-secondary education and training.

Sec. 252—Allotment

Requires that not more than one-quarter of 1 percent of funds for this part be allotted to the U.S. territories.

Authorizes the Secretary of Labor to reserve 5 percent of the remaining amount to create title IIC State Innovation and Coordination Grants.

Requires that, after determining the amounts allotted to the territories and to title IIC, 91 percent of the remainder be allotted to the states for allocation to the SDAs on the basis of the following formula: 50 percent on the basis of the relative share of economically disadvantaged youths, 25 percent on the basis of the relative concentration of the economically disadvantaged youths, and 25 percent on the basis of relative share of unemployed individuals. The remaining 9 percent must be allotted to each state as follows: four-ninths for overall administrative management, two-ninths for capacity building and technical assistance, and three-ninths for incentive grants.

Provides that no SDA be allocated less than 90 percent, or more than 115 percent, of its allocation percentage for the previous fiscal year.

Requires that the total allotment for all service delivery areas within any one state not be less than one-quarter of 1 percent of the total allotted to all SDAs in all States.

Allows each PIC to reserve not more than 10 percent of its allocation under title IIB for experimental programming for hard-to-serve individuals. GAO must report to Congress before September 30, 1994 with an evaluation of such experimental programming.

Defines "economically disadvantaged youth", for use in the allocation formula, as individuals age 16 through 21 whose family income meets poverty or low-income criteria. College students and members of the armed forces are excluded from the "economically disadvantaged youth" designation.

Defines "concentration" as the number of economically disadvantaged youth in excess of 10 percent of the youth population in the SDA.

Requires that all States be held harmless at 100 percent of their FY 89 allotments for FY90, FY91 and FY92.

Sec. 253—Eligibility for services

Establishes new eligibility rules for the title IIB program. Requires that in-school youth, in order to participate in the title IIB program, be age 16 through 21, economically disadvantaged and included in one or more of the following categories: basic skills deficient; poor academic and school attendance records; pregnant or parenting; exhibiting pattern of disruptive behavior or disciplinary problems; homeless; disabled; limited English proficient; or an offender.

Defines economically disadvantaged youth as receiving services under chapter I of title I of the Elementary and Secondary Education Act of 1965 or receiving a free lunch in the National School Lunch Act.

Requires that an out-of-school individual, in order to participate in the title IIB program, be age 16 through 21, economically disadvantaged, and included in one or more of the following categories: basic skills deficient; school dropout; pregnant or parenting; homeless; limited English-proficiency; or offender.

Allows up to 10 percent of all participants in the title IIB program in each SDA to be individuals who are not economically disadvantaged if they are age 16 through 21 and experience multiple barriers to employment.

Requires that at least 50 percent of the participants in the title IIB program be eligible out-of-school youth.

Allows participation in the title IIB program of youth age 14 or 15, or age 22 through 24, if it is appropriate and included in the job training plan.

Requires that an individual who is under 18 and a school dropout, in order to participate, must re-enroll in and attend a regular school, alternative high school, alternative course of study approved by the local educational agency, a GED program or a community-based learning center with high school equivalency programs.

Allows an SDA to transfer up to 10 percent of its funds from title IIA to title IIB if transfer is included in the job training plan and is approved by the Governor.

Sec. 254—Program design

Requires title IIB programs to be conducted on a year round basis.

Requires that certain features are to be included in all title IIB programs. These include an assessment of each participant's skill levels and service needs including such factors as basic skills, occupational skills, prior work experience, and supportive service needs; development of individual service strategies which identify achievement objectives, employment goals, a sequence of services; and a review of each participant's progress; and provision of basic skills training and occupational skills training where the assessment and service strategy indicate it is necessary. (The assessment is not required if the participant has been evaluated recently by another education or training program such as JOBS.)

Expands services available under title IIB programs to include as appropriate: outreach; tutoring; study skills training; instruction for high school completion or GED; alternative high schools; mentoring; individual and group conseling; drug and alcohol abuse counseling and referral; cash incentives and bonuses based on attendance and performance; compensation in the form of work experience wages; services encouraging parental, spousal and other significant adult involvement in the participant's program; on-the-job training; limited internships in the private sector; transition services from school to work, post-secondary education; or apprenticeship; training combined with community and youth service opportunities in public agencies, nonprofit organizations and CBO's; job search, job search skills and job clubs; and needs-based payments.

Requires SDAs and PICs, in developing service strategies and designing services, to take into consideration exemplary program strategies and practices.

Requires pre-employment and work maturity skills training to be accompanied by either work experience or additional services designed to increase a participant's basic or occupational skills. The additional services may be provided sequentially or concurrently under other education and training programs, including the Job Corps and JOBS.

Requires work experience, job search, job search skills training and job clubs activities to be accompanied by additional services to increase a participant's basic or occupational skills.

Limits needs-based payments to those necessary for participation according to local procedure.

Authorizes counseling and supportive services to be provided for up to one year after the completion of the program.

Authorizes SDAs to conduct a summer jobs component under title IIB if the individual's service strategy indicates that it is appropriate, and the participant is in another year-round education or training program.

Sec. 255—Cooperative arrangements

Requires SDAs to establish cooperative agreements with the appropriate educational agencies responsible for service to participants. These must include: (1) formal agreements with educational agencies to identify referral procedures for in-school youth, methods of assessment of in-school youth, and procedures for notification of dropouts; (2) arrangements to ensure that programs in title IIB supplement existing programs provided by local educational agencies to in-school youth; (3) arrangements to ensure that the program utilizes, to the greatest extent possible, existing services provided by educational agencies to out-of-school youth; and (4) arrangements to ensure that for in-school youth there is a regular exchange of information between the program and the educational agency.

Further requires SDAs to establish appropriate cooperative arrangements with other Federal education and training programs.

In addition, the SDAs must also establish other appropriate cooperative arrangements with entities, including local educational, community, literacy, volunteer, economic development, employment and social service agencies.

Sec. 118—State innovation and coordination grants

Amends title II to create a new part C, as follows:

Sec. 261—Statement of purpose

Sec. 262—Program authorized

Authorizes the Secretary of Labor to make one-year innovation and coordination grants to states to encourage the development of comprehensive and coordinated education, training, and employment goals and strategies for youths and adults at risk of chronic unemployment and welfare dependency. These grants may be renewed for the two succeeding fiscal years if the Secretary determines that the conditions of the grant have been met in the first year.

Provides that upon approval of a state innovation and coordination plan a State will receive the same proportion of funds as the State receives to carry out title II.

Authorizes the Secretary to reallot any funds during a fiscal year which remain available under this part to disapproval of these plans. The amount available must be reallotted among the States on the basis of the quality of the state plan submitted.

Sec. 263—Use of funds

Authorizes States to use these funds to: (1) establish statewide policies and action strategies to address critical human resource development goals for at-risk populations; (2) encourage the use of cooperative arrangements between various State education, employment, welfare and social service agencies; (3) encourage comprehensive and coordinated delivery of education, training and employment services; (4) facilitate the development of public-private collaboration to assure private sector employment and learning opportunities.

Provides that no more than 15 percent of the grant amount may be spent on administrative activities; no more than 35 percent on such collaborative activities as strategic planning, coordination and other activities designed to facilitate the coordination of JTPA services with education and other human resource systems; and no less than 50 percent on training, education, and employment services.

Sec. 264—State innovation and coordination plan

Provides the procedures for applying for funds under the program. All States are eligible to apply for title IIC funds. Each state must submit a state plan to the Secretary of Labor which (1) describes the human resource goals to be achieved, (2) describes specific activities designed to achieve the goals of the plan, (3) indentifies measurable interim benchmarks toward achieving those goals; (4) describes how these activities will be provided through cooperative arrangements with State and local education and employment agencies, welfare agencies or administrative entities in SDAs; (5) describes how the activities will be coordinated with other Federal programs; and (6) describes the State and the local public and private resources to be commited to achieve the goals.

Sec. 265—Review and approval of State innovation and coordination plan

Describes the criteria to be used in reviewing and approving state innovation and coordination plans. These criteria include the extent to which goals, service strategies and accountability mechanisms will address the problems identified; the extent to which the resources will be committed from the other State and local public and private sources; evidence of a commitment to the project by state and local officials and representatives of local communities; specific plans for coordinating JTPA programs with other education, employment and training programs; the amount of funds which will be used for administrative costs and the extent to which expenditures will contribute to administrative efficiencies and service improvements.

Sec. 266—Payments, Federal share

Provides that States must provide matching funds for the title IIC grant.

Sec. 267—Program review and oversight

Provides for program review and oversight by the Secretary of Labor and the SJTCC.

Sec. 268—Reports

Requires each SJTCC to report semi-annually to the Secretary of Labor on the progress made in accomplishing the goals in each state innovation and coordination plan, according to criteria established by the Secretary.

Sec. 119—Employment and training assistance for dislocated workers

Amends Sec. 314(f) of JTPA to require that an eligible dislocated worker participating in training pursuant to this title be deemed to be in training with the approval of the State agency for purposes of Section 3304(a)(8) of the Internal Revenue Code of 1986.

Sec. 120—Native American programs

Amends Sec. 401 to extend eligibility for title IV Native American programs to American Samoans.

Amends Sec. 401(e) to require the Secretary of Labor to designate a single organizational unit within the Department of Labor with principal responsibility for the development, coordination and oversight of policies concerning Native American Programs under title IV; and to require that a special effort be made to recruit Indians, Native Alaskans, American Samoans and Native Hawaiians in staffing this unit.

Amends Sec. 401(h) to authorize the establishment of an Advisory Council on Native American Job Training Programs, describe the duties and responsibilities of the Council and authorize the Secretary of Labor to make available funds to support Council activities.

Amends Sec. 401(j) to provide for a reservation of title IV (other than part B) funds for Native American programs and to specify that a proportion of these funds must be provided to section 401 entities which were eligible previously to receive title IIB funds to operate special programs for economically disadvantaged Native American youth between the ages of 14 and 21.

Sec. 121—Migrant and seasonal farmworkers programs

Amends Sec. 402(f) of JTPA to provide for a reservation of title IV funds (other than part B) for migrant and seasonal farmworker programs.

Sec. 122—Job Corps

Amends Sec. 427(a)(2) of JTPA to increase the level of non-residential Job Corps slots to 20 percent (from 10 percent) and requires that such increase not be made by reducing the number of residential slots below the program year 1989 level.

Sec. 123—National activities

Amends and restructures part D of title IV of JTPA as follows:

Sec. 451—National partnershp and special training programs

Consolidates Sec. 451 and Sec. 452 of JTPA and authorizes a national partnership and special training program distinct from other research, demonstration and evaluation activities.

Sec. 452—Research, demonstration and evaluation

Consolidates Sec. 452, Sec. 453 and Sec. 454 of JTPA to provide for a distinct research, demonstration, and evaluation program. Updates the areas on which the research, demonstration and evaluation program can focus, e.g. workplace literacy; broadens and

Secretary of Labor's authority to conduct continuing evaluations of JTPA programs, including cost-effectiveness evaluations, and studies that encompass employment-related programs such as the Employment Service; and provides further authority for an evaluation of the impact of these amendments made by this Act on participant employment, earnings and welfare dependency.

Requires the Secretary to evaluate the impact of these amendments on participant employment, earning, and welfare dependency in multiple sites.

Sec. 453—Training and technical assistance

Authorizes the Secretary of Labor to develop and publish a multi-year national plan for capacity-building within the employment and training system.

Expands the Secretary of Labor's authority to provide technical assistance and training to other training and employment-related programs and to disseminate materials and information.

Requires the Secretary to establish, prior to July 1, 1991, a network of regional training institutes in order to strengthen the caliber of services provided through the employment and training system. To establish not more than 5 institutes, the bill requires the Secretary of Labor to award competitive grants to colleges and universities, private nonprofit organizations, CBOs, and other organizations with specialized knowledge on employment and training.

Describes the activities to be conducted by each institute to include the provision of appropriate training, technical assistance, and professional development activities; the preparation and dissemination of training materials, successful models, and program information; and establishment of a clearinghouse for innovative materials.

Authorizes the Secretary to provide guidance, technical assistance and direction to the training institute network, and to consult with the Secretary of Education as needed to coordinate the activities of the regional training institute network.

Provides for a reservation of funds from the amounts allotted to the states for capacity-building activities to fund these institutes.

Sec. 124—Cooperative Labor Market Information Program

Amends Sec. 462 of JTPA to authorize the Secretary of Labor to engage in research, demonstration and other activities to determine the feasibility of developing a national data base utilizing unemployment insurance wage records and to require the Secretary to report to Congress concerning the costs and benefits of establishing and maintaining such a data base.

Sec. 125—National Occupational Information Coordinating Committee

Amends Sec. 464 of JTPA to increase authorizations for the National Occupational Information Coordinating Committee from "not more than $5 million" to "not less than $6 million".

Sec. 126—Replication of successful programs

Amends title IV of JTPA to create a new part H authorizing the Secretary to make grants to national or regional, public or private nonprofit organizations for providing technical assistance, and to States and SDAs for the costs associated with the development and operation of model programs.

Requires these model programs to be selected by a review panel of recognized experts appointed by the Secretary and describes the criteria to be used by the review panel in selecting and designating these programs. Those model programs designated must: (1) be designed to improve employment prospects of economically disadvantaged youth; (2) be sponsored or operated by a national or regional, public or private nonprofit organization with the capacity to provide the necessary technical assistance; (3) have demonstrated reasonable evidence of success, as reflected in measurable outcomes related to stated program goals and objectives; and (4) be operated on a scale sufficient to demonstrate the program has the potential to be successfully replicated across a wide range of sites and serve large numbers of economically disadvantaged youth.

Establishes limitations regarding the approval of the same replication activities in more than 10 states or communities in any 3-year period.

Sec. 127—Fair Chance Youth Opportunities Unlimited Program

Amends title IV of JTPA to create a new part I as follows:

Sec. 491—Statement of purpose

Sec. 492—Program authorized

Creates a new Fair Chance Youth Opportunities Unlimited Program in title IV to pay the federal share of the cost of providing comprehensive services to youth living in high poverty areas in the Nation's cities and rural areas.

Requires the Secretary of Labor to award funds to the SDAs in which the target area is located, or to the appropriate grantee if the area is located on an Indian reservation or Alaskan village.

Establishes a limitation on the number of grants that may be awarded by the Secretary of Labor and the length of the grant period.

Requires the Secretary to award at least one, but not more than 3, grants to Indian reservations and Alaskan native villages.

Further requires the Secretary to award grants on the basis of the quality of the proposed project, the goals to be achieved, the likelihood of the project's successful implementation, and the extent of community support. The Secretary must also give priority to participating communities with the highest rates of poverty.

Sec. 493—Definitions

Sec. 494—Application

Establishes that cities, counties, Indian reservations and Alaskan villages with the highest rates of poverty are eligible for these grants.

Describes the requirements for applying for funds under the program. Those entities desiring a grant must submit an application that includes, among other things, a comprehensive plan to achieve identifiable and measurable goals for youth in the target areas;

measurable program goals; supporting goals for the target areas such as increasing security and safety, or reducing the number of drug-related arrests; assurances that all youth in the target area have training opportunities; demonstration of how the community will make use of existing resources; and evidence of support for accomplishing goals from local officials and community leaders, business, labor organizations and other appropriate organizations.

Requires the application to be submitted to the Secretary of Labor by the Mayor, the Governor, or the designated grantee.

Sec. 495—Grant agreement

Provides that each service delivery area receiving a grant on behalf of a participating community must enter into an agreement with the Secretary of Labor. Each agreement must designate a target area of 25,000 or less; contain assurances that funds provided will be used to support education, training and supportive activities selected from a set of youth program models; provide that only youth age 14 through 21 be eligible to participate in the program; contain assurances that the local educational agency and the community will provide activities and local resources necessary to achieve goals specified in the plan; and assurances designed to ensure coordination with Federal, State or local programs.

Sec. 496—Payments; Federal share

Requires a 100% match of the grant amount from each participating community, and provides that not more than 25% of the community's share may be from Federal sources other than the Fair Chance grant.

Sec. 497—Reports

Authorizes the Secretary of Labor to establish reporting procedures.

Sec. 498—Federal responsibilities

Authorizes the Secretary of Labor to reserve 5% of the amount appropriated to provide technical assistance to participating communities, establish reporting procedures.

Requires the Secretary of Labor to provide for an independent evaluation of the Fair Chance program and to submit to Congress a report describing the results of the evaluation.

Sec. 128—Displaced homemakers

Amends title IV of JTPA to create a new part J, as follows:

Sec. 499A—Program authorized

Establishes a new part in title IV for employment and training programs for displaced homemakers, by authorizing the Secretary of Labor to provide funds for projects which utilize comprehensive and innovative approaches to delivery services to displaced homemakers. Authorizes grants, one per state, to a statewide public agency or a statewide nonprofit organization which has a demonstrated record of effective service to displaced homemakers.

Sec. 499B—Application

Requires each statewide agency desiring a grant to submit an application to the Secretary of Labor containing assurances that, the Governor and SJTCC have had an opportunity to review and comment on the application.

Requires the Secretary of Labor to give priority to applications which meet certain criteria that include demonstrating that employment and training services will be given to displaced homemakers who are economically disadvantaged.

Sec. 499C—Administrative provisions

Authorizes the Secretary to develop regulations for this program.

Sec. 449D—Supplementation of funding

Requires that each grantee use the funds to supplement and not supplant funds that may be available from other sources for employment and training assistance to displaced homemakers.

Sec. 499E—Administrative procedures

Authorizes the Secretary of Labor to establish administrative procedures for the program.

Sec. 129—Effective date; transition provisions

Provides that the effective date of title I of the bill is July 1, 1990, and states that revised performance standards shall be issued no later than July 1, 1993.

TITLE II—STATE HUMAN RESOURCE INVESTMENT COUNCIL

Sec. 201—Establishment of State Human Resource Investment Councils

Requires each State receiving assistance under an applicable program must establish a State Human Resource Investment Council to review the provision of services and the use of resources and to advise the Governor on methods of coordinating the programs. The Council would also provide advice to the Governor on the development and implementation of State and local standards and measures relating to the programs.

Provides that the membership of the Council appointed by the Governor consist of not less than 30 percent from business and industry; not less than 30 percent from organized labor and community-based organizations; not less than 20 percent from chief administrative officers in State agencies administering applicable programs and other representatives of state entities; and not more than 20 percent from representatives of local governments, local educational and welfare agencies, and individuals with special expertise.

Require each State to certify to Secretary of Labor the establishment and membership of the Council at least 90 days before the submission of a job training plan under JTPA.

Sec. 202—Definitions

Defines "applicable programs" as any program under any of the following: the Adult Education Act, the Carl Perkins Vocational Education Act, JTPA, the Wagner-Peyser Act, and JOBS.

Sec. 203—Duties of State council with respect to applicable programs

Contains conforming amendments to JTPA and the Wagner-Peyser Act.

Sec. 204—Effective date

Provides that the effective date of title II of this bill is July 1, 1990.

IX. ADDITIONAL VIEWS OF MR. ADAMS

I would like to first state that as a continued supporter of JTPA, I congratulate Senator Kennedy and Senator Simon and their staff for the hard work they have exhibited in putting together S. 543.

I would also like to thank my two colleagues for meeting some of the concerns I earlier presented. Due to their cooperation, a new formula was developed significantly reducing the negative impact on my state. Additionally, a hold harmless provision was extended an additional year, providing for more funds than what was originally presented.

I do not support this bill however, and would like to briefly explain my reasoning.

The philosophical thrust of this proposal is to emphasize the targeting of disadvantaged youth and adults. So, changes in the formula criteria reflect this need. Let me assure the Committee that I have been, and will continue to be a strong supporter of poverty targeted programs. In this case however, the formula overlooks an important criteria that is present in Washington state. That is, a cyclical economy based on traditional industries like timber and wood products.

This type of economy, in turn, has produced structural unemployment in some rural counties of Washington state equaling 12 percent, 13 percent and 17 percent. The formula does not consider this unique circumstances and, therefore, provides no additional resources for this need.

Washington state encompasses many rural counties who have never fully pulled out of the last economic downturn. I believe it critically important that these factors be considered within this process.

Brock Adams.

X. CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

JOB TRAINING PARTNERSHIP ACT

AN ACT To provide for a job training program and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Job Training Partnership Act".

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STATEMENT OF PURPOSE

[Sec. 2. It is the purpose of this Act to establish programs to prepare youth and unskilled adults for entry into the labor force and to award job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.]

Sec. 2. It is the purpose of the Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the workforce and enhancing the productivity and competitiveness of the Nation.

AUTHORIZATION OF APPROPRIATIONS

Sec. 3. (a)(1)(*A*) [There] *Except as provided in subparagraph (B), there* are authorized to be appropriated tp carry out part A of title II and title IV (other than [part B] *parts B, H, I and J* of such title) such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

(B) There are authorized to be appropriated $1,223,000,000 for fiscal year 1990 to carry out the provisions of part A of title II of this Act.

(2) From the amount appropriated pursuant to paragraph (1) for any fiscal year, an amount equal to not more than 7 percent of the total amount appropriated pursuant to this section shall be available to carry out parts A, C, D, E, F, and G of title IV.

(3) Of the amount so reserved under paragraph (2)—

(A) 5 percent shall be available for part C of title IV, and

(B) **[**$2,000,000**]** *$1,000,000* shall be available for part F of title IV.

[(b) There are authorized to be appropriated to carry out part B of title II such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.**]**

(b) There are authorized to be appropriated $1,574,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part B of title II of this Act.

(c) There are authorized to be appropriated to carry out title III—

(1) $980,000,000 for fiscal year 1989; and

(2) such sums as may be necessary for each succeeding fiscal year.

(d)*(1)* There are authorized to be appropriated $618,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act.

(2) There are authorized to be appropriated $10,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part H of title IV.

(3) There are authorized to be appropriated $25,000,000 for fiscal year 1990, $50,000,000 for fiscal years 1991, and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part I of title IV.

(4) There are authorized to be appropriated $15,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part J of title IV.

(e)(1) Subject to paragraph (2), there are authorized to be appropriated for each of fiscal years 1990 through 1994 such sums as may be necessary to carry out title IV.

[(2) No funds appropriated pursuant to this Act may be used to carry out such title for any fiscal year unless funds appropriated to carry out part A of title II exceed any change in the consumer price index from the amounts appropriated for the previous fiscal year to carry out such part.**]**

[(3)**]** *(2)* From amounts authorized to be appropariated for title V pursuant to paragraph (1), not more than $5,000,000 may be used for purposes of section 510 of such title.

(f) The authorizations of appropriations contained in this section are subject to the program year provisions of section 161.

DEFINITIONS

Sec. 4. For the purposes of this Act, the following definitions apply:

(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

(2) The term "administrative entity" means the entity designated to administer a job training plan under section 103(b)(1)(B).

[(3) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain a program under part A of title II of this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.]

(3) The term "basic skills deficient" means reading or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion referenced test.

(4) The term "chief elected official" includes—

(A) in the case of a State, the Governor;

(B) in the District of Columbia, the mayor; and

(C) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the governing body.

(5) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, *Association of Farmworkers Opportunity Programs, literacy organizations,* Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, organizations operating career intern programs, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, agencies serving the handicapped, including disabled veterans, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians (including the National Urban Indian Council), as well as tribal governments and Native Alaskan groups.

(6) Except as otherwise provided therein, the term "council" means the private industry council established under section 102.

(7) The term "economic development agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

(8) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which re-

ceives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty [level determined in accordance with criteria established by the Director of the Office of Management and Budget], *income guidelines promulgated each year by the Secretary of Health and Human Services* or (ii) 70 percent of the lower living standard income level; (C) is receiving food stamps pursuant to the Food Stamp Act of 1977; (D) qualifies as a homeless individual under *subsections (a) and (c) of* section 103 of the Stewart B. McKinney Homeless Assistance Act; (E) is a foster child on behalf of whom State or local government payments are made; or (F) in cases permitted by regulations of the Secretary, is an [adult handicapped individual] *individual with a disability (adult or youth)* whose own income meets the requirements of clause (A) or (B), but who is a member of a family whose income does not meet such requirements.

(9) The term "Governor" means the chief executive of any State.

(10) The term "[handicapped individual] *individual with a disability*" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

(11) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

(12) The term "institution of higher education" means any institution of higher education as that term is defined in section 1201(a) of the Higher Education Act of 1965.

(13) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas of similar criteria established by a Governor.

(14) The term "local educational agency" means such an agency as defined in section 521(19) of the Carl D. Perkins Vocational Education Act.

(15) The term "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

(16) The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.

(17) The term "offender" means any adult or juvenile who is or has been subject to any stage of the criminal justice process for whom services under this Act may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

(18) The term "postsecondary institution" means an institution of higher education as that term is defined in section 481(a)(1) of the Higher Education Act of 1965.

(19) The term "private sector" means, for purposes of the State job training councils and private industry councils, persons who are owners, chief executives or chief operating officers of private for-profit employers and major nongovernmental employers, such as health and educational institutions or other executives of such employers who have substantial management or policy responsibility.

(20) The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(21) The term "Secretary" means the Secretary of Labor.

(22) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the [Trust Territory of the Pacific Islands] *Freely Associated States and the Republic of Palau.*

(23) The term "State educational agency" means such an agency as defined in section 1201(h) of the Higher Education Act of 1965.

(24) The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training program funded under this Act. Such supportive services may include transportation, health care, *drug and alcohol abuse counseling and referral, individual and family counseling,* special services, and [materials for the handicapped] *materials for individuals with disabilities, job coaches,* child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance.

(25) The term "unemployed individuals" means individuals who are without jobs and who want and are available for work. The determination of whether individuals are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

(26) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(27)(A) The term "veteran" means an individual who serve in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (ii) an individual who was discharged or released from active duty because of service-connected disability.

(C) The term "recently separated veteran" means any veteran who applies for participation under any title of this Act within 48 months of the discharge or release from active military, naval, or air service.

(D) The term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.

(28) The term "vocational education" has the meaning provided in section 521(31) of the Carl D. Perkins Vocational Education Act.

[(29) The term "displaced homemaker" means an individual who—

[(A) was a full-time homemaker for a substantial number of years; and

[(B) derived the substantial share of his or her support from—

[(i) a spouse and no longer receives such support due to the death, divorce, permanent disability of, or permanent separation from the spouse; or

[(ii) public assistance on account of dependents in the home and no longer receives such support.]

(29) The term "displaced homemaker" means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent either—

(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601–618), or

(ii) on the income of another family member but is no longer supported by that income, and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(30) The term "family" means one or more persons living in a single residence as of the date of application for assistance under this Act who are related to each other by blood, marriage, or adoption.

(31) The term "long term recipient" means an individual who has—

(A) received cash payments made pursuant to part A of title IV of the Social Security Act (relating to the aid to families with dependent children program);

(B) received general welfare assistance to Indians, as provided pursuant to the Act of November 2, 1921 (25 U.S.C. 13), commonly referred to as the Snyder Act;

(C) received cash assistance and medical assistance for refugees made available pursuant to section 412(e) of the Immigration and Nationality Act; or

(D) applied for and received benefits offered pursuant to title XVI of the Social Security Act (relating to supplemen-

tal security income programs) and title II of such Act (relating to Social Security Disability Insurance);

for 36 months during the 60-month period immediately preceding application for programs offered under this title.

(32) The term "educational agency" means—

(A) a public local school authority having administrative control of elementary, middle or secondary schools or providing adult education;

(B) a public or private institution which provides alternative middle or high school education;

(C) any public education institution or agency having administrative control of secondary or post-secondary vocational education programs;

(D) any institution legally authorized to provide post-secondary education; or

(E) any post-secondary educational institution operated by or on behalf of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934.

(33) The term "school dropout" means an individual who is no longer attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(34) The term "JOBS" means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act.

(35) The term "hard-to-serve individuals" means individuals who meet at least 2 of the following criteria:

(A) long-term recipient,

(B) school dropout,

(C) unemployed for 6 months or longer,

(D) individual with a disability,

(E) offender,

(F) displaced homemaker, or

(G) homeless.

TITLE I—JOB TRAINING PARTNERSHIP

PART A—SERVICE DELIVERY SYSTEM

ESTABLISHMENT OF SERVICE DELIVERY AREAS

SEC. 101. (a)(1) The Governor shall, after receiving the proposal of the State job training coordinating council, publish a proposed designation of service delivery areas for the State each of which—

(A) is comprised of the State or one or more units of general local government;

(B) will promote effective delivery of job training services; and

(C)(i) is consistent with labor market areas of standard metropolitan statistical areas, but this clause shall not be construed to require designation of an entire labor market area; or

(ii) is consistent with areas in which related services are provided under other State or Federal programs.

(2) The Council shall include in its proposal a written explanation of the reasons for designating each service delivery area.

(3) Units of general local government (and combinations thereof), business organizations, and other affected persons or organizations shall be given an opportunity to comment on the proposed designation of service delivery areas and to request revisions thereof.

(4)(A) The Governor shall approve any request to be a service delivery area from—

(i) any unit of general local government with a population of 200,000 or more;

(ii) any consortium of contiguous units of general local government with an aggregate population of 200,000 or more which serves a substantial part of one or more labor market areas; and

(iii) any concentrated employment program grantee for a rural area which served as a prime sponsor under the Comprehensive Employment and Training Act.

(B) The Governor may approve a request to be a service delivery area from any unit of general local government or consortium of contiguous units of general local government, without regard to population, which serves a substantial portion of a labor market area.

(C) If the Governor denies a request submitted under subparagraph (A) and the entity making such request alleges that the decision of the Governor is contrary to the provisions of this section, such entity may appeal the decision to the Secretary, who shall make a final decision within 30 days after such appeal is received.

(b) The Governor shall make a final designation of service delivery areas within the State. Before making a final designation of service delivery areas for the State, the Governor shall review the comments submitted under subsection (a)(3) and requests submitted under subsection (a)(4).

(c)(1) In accordance with subsection (a), the Governor may redesignate service delivery areas no more frequently than every two years. Such redesignations shall be made not later than 4 months before the beginning of a program year.

(2) Subject to paragraph (1), the Governor shall make such a redesignation if a petition to do so is filed by an entity specified in subsection (a)(4)(A).

(3) The provisions of this subsection are subject to section 105(c).

ESTABLISHMENT OF PRIVATE INDUSTRY COUNCIL

SEC. 102. (a) There shall be a private industry council for every service delivery area established under section 101, to be selected in accordance with this subsection. Each council shall consist of—

(1) representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility; [and]

[(2) representatives of educational agencies (representative of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service.]

(2) representatives of organized labor, and representatives of community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

(3) representatives of each of the following:

(A) educational agencies (representative of all educational agencies in the service delivery area);

(B) vocational rehabilitation agencies;

(C) public assistance agencies;

(D) economic development agencies; and

(E) the public employment service.

(b) The Chairman of the council shall be selected from among members of the council who are representatives of the private sector.

(c)(1)(A) Private sector representatives on the council shall be selected from among individuals nominated by general purpose business organizations, after consulting with, and receiving recommendations from, other business organizations in the service delivery area. The number of such nominations shall be at least 150 percent of the number of individuals to be appointed under subsection (a)(1). Such nominations and the individuals selected from such nominations, shall reasonably represent the industrial and demographic composition of the business community. Whenever possible, at least one-half of such business and industry representatives shall be representatives of small business, including minority business.

(B) For the purpose of this paragraph, the term—

(i) "general purpose business organizations" means organizations which admit to membership any for-profit business operating within the service delivery area; and

(ii) "small business" means private for-profit enterprises employing 500 or fewer employees.

[(2) Education representatives on the council shall be selected from among individuals nominated by local educational agencies, vocational education institutions, institutions of higher education, or general organizations of such agencies or institutions, and by private and proprietary schools or general organizations of such schools within the service delivery area.]

(2) Education representatives on the council shall be selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of higher education (including entities offering adult education) or general organizations of such schools and institutions within the service delivery area.

[(3) The remaining members of the council shall be selected from individuals recommended by interested organizations. Labor representatives shall be recommended by recognized State and local labor organizations or appropriate building trades councils.]

(3) The labor representatives on the council shall be selected from individuals recommended by recognized State and local labor orga-

nizations. If the State or local labor organization cannot adequately meet the labor representation on the private industry council then individual workers may be included on the council to complete the labor representation.

(4) The remaining members of the council shall include additional representatives from all sectors represented on the council and from individuals recommended by interested organizations.

(d)(1) In any case in which there is only one unit of general local government with experience in administering job training programs within the service delivery area, the chief elected official of that unit shall appoint members to the council from the individuals nominated or recommended under subsection (c).

(2) In any case in which there are two or more such units of general local government in the service delivery area, the chief elected officials of such units shall appoint members to the council from the individuals so nominated or recommended in accordance with an agreement entered into by such units of general local government. In the absence of such an agreement the appointments shall be made by the Governor from the individuals so nominated or recommended.

(e) The initial number of members of the council shall be determined—

(1) by the chief elected official in the case described in subsection (d)(1),

(2) by the chief elected officials in accordance with the agreement in the case described in subsection (d)(2), or

(3) by the Governor in the absence of such agreement.

Thereafter, the number of members of the council shall be determined by the council.

(f) Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the council shall be filled in the same manner as the original appointment. Any member of the council may be removed for cause in accordance with procedures established by the council.

(g) The governor shall certify a private industry council if the Governor determines that its composition and appointments are consistent with the provisions of this subsection. Such certification shall be made or denied within 30 days after the date on which a list of members and necessary supporting documentation are submitted to the Governor. When the Governor certifies the council it shall be convened within 30 days by the official or officials who made the appointments to such council under subsection (d).

(h) In any case in which the service delivery area is a State, the State job training coordinating council or a portion of such council may be reconstituted to meet the requirements of this section.

FUNCTIONS OF PRIVATE INDUSTRY COUNCIL

SEC 103. (a) It shall be the responsibility of the private industry council to provide policy guidance for, and exercise oversight with respect to, activities under the job training plan for its service delivery area in partnership with the unit or units of general local government within its service delivery area.

(b)(1) The council, in accordance with an agreement or agreements with the appropriate chief elected official or officials specified in subsection (c), shall—

(A) determine procedures for the development of the job training plan, which may provide for the preparation of all or any part of the plan (i) by the council, (ii) by any unit of general local government in the service delivery area, or by an agency thereof, or (iii) by such other methods or institutions as may be provided in such agreement; and

(B) select as a grant recipient and entity to administer the job training plan (which may be separate entities), (i) the council, (ii) a unit of general local government in its service delivery area, or an agency thereof, (iii) a nonprofit private organization or corporation, or (iv) any other agreed upon entity or entities.

(2) The council is authorized to provide oversight of the programs conducted under the job training plan in accordance with procedures established by the council. In order to carry out this paragraph, the council shall have access to such information concerning the operations of such programs as is necessary.

(c) For purposes of subsection (b), the appropriate chief elected official or officials means—

(1) the chief elected official of the sole unit of general local government in the service delivery area,

(2) the individual or individuals selected by the chief elected officials of all units of general local government in such area as their authorized representative, or

(3) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the representative of the chief elected official for such area (as defined in section 4(4)(C)).

(d) No job training plan prepared under section 104 may be submitted to the Governor unless (1) the plan has been approved by the council and by the appropriate chief elected official or officials specified in subsection (c), and (2) the plan is submitted jointly by the council and such official or officials.

(e) In order to carry out its functions under this Act, the council—

(1) shall, in accordance with the job training plan, prepare and approve a budget for itself, and

(2) may hire staff, incorporate, and solicit and accept contributions and grant funds (from other public and private sources).

(f) As used in this section, the term "oversight" means reviewing, monitoring, and evaluating.

JOB TRAINING PLAN

SEC. 104. (a) No funds appropriated *under title II* for any fiscal year may be provided to any service delivery area under this Act except pursuant to a job training plan for two program years which is prepared in accordance with section 103 and which meets the requirements of this section.

[(b) Each job training plan shall contain—

[(1) identification of the entity or entities which will administer the program and be the grant recipient of funds from the State;

[(2) a description of the services to be provided, including the estimated duration of service and the estimated training cost per particpant;

[(3) procedures for identifying and selecting participants and for eligibility determination and verification;

[(4) performance goals established in accordance with standards prescribed under section 106;

[(5) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards;

[(6) the budget for two program years and any proposed expenditures for the succeeding two program years, in such detail as is determined necessary by the entity selected to prepare this portion of the plan pursuant to section 103(b)(1)(B) and to meet the requirements of section 108;

[(7) a description of the procedures and methods of carrying out title V, relating to incentive bonus payments for the placement of individuals eligible under such title;

[(8) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

[(9) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of individual service delivery area programs, including—

[(A) assessments of needs and problems in the labor market that form the basis for program planning;

[(B) provisions for ensuring access by program participants in each service delivery area to skills training and employment opportunities throughout the entire labor market; and

[(C) coordinated or joint implementation of job development, placement, and other employer outreach activities;

[(10) fiscal control, accounting, audit and debt collection procedures to assure the proper disbursal of, and accounting for, funds received under this title; and

[(11) procedures for the preparation and submission of an annual report to the Governor which shall include—

[(A) a description of activities conducted during the program year;

[(B) characteristics of participants; and

[(C) the extent to which the activities exceeded or failed to meet relevant performance standards.]

(b) Each job training plan for the programs conducted for adults under part A of title II and for youth under part B of title II shall contain—

(1) identification of the entity or entities which will administer the program and be the grant recipient of funds from the State;

(2) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of the service delivery program with other programs and service providers in the labor market area, including—

(A) assessments of needs and problems in the labor market that form the basis for program planning;

(B) provisions for ensuring access by program participants in the service delivery area to skills training and employment opportunities throughout the entire labor market; and

(C) coordination or joint implementation of job development, placement, and other employer outreach activities;

(3) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

(4) a description of cooperative arrangements designed to enhance the provision of services, including—

(A) agreements with educational agencies;

(B) arrangements with other education, training and employment programs serving the disadvantaged which are authorized by Federal law; and

(C) efforts to ensure the effective delivery of services to participants in coordination with local welfare agencies, other local agencies, community-based organizations, volunteer groups, business and labor organizations, and other training, education, employment, and social service programs;

(5) goals and objectives for the programs, including—

(A) a description of how the program will contribute to the economic self-sufficiency of participants, and the productivity of the local area and the Nation; and

(B) performance goals established in accordance with standards prescribed under section 106;

(6) goals for the training and placement of older individuals, displaced homemakers and other targeted populations, and a description of efforts to be undertaken to accomplish such goals, including—

(A) efforts to expand outreach to older individuals, displaced homemakers, and other targeted populations who may be eligible for services under this Act, and

(B) efforts to expand awareness of training and placement opportunities for older individuals, displaced homemakers, and other targeted populations;

(7) adult and youth budgets for two program years and any proposed expenditures for the succeeding two program years, in such detail as is determined necessary by the entity selected to prepare this portion of the plan pursuant to section 103(b)(1)(B) and to meet the requirements of section 108;

(8) procedures for identifying and selecting participants, and procedures for determining eligibility and methods used to verify eligibility;

(9) a description of—

(A) the assessment process that will identify each participant's skill levels and service needs;

(B) the competency levels to be achieved by participants as a result of program participation;

(C) a description of the services to be provided, including the estimated duration of service and the estimated training cost per participant; and

(D) the procedures for evaluating the progress of participants in achieving competencies;

(10) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training, basic skills training, or related activities, fiscal accountability, and ability to meet performance standards, and the ability to provide services that can lead to achievement of competency standards for participants with identified deficiencies;

(11) fiscal control (including procurement, monitoring and management information systems requirements), and accounting, audit and debt collection procedures to assure the proper disbursal of, and accounting for, funds received under title II; and

(12) procedures for the preparation and submission of an annual report to the Governor which shall include—

(A) a description of activities conducted during the program year;

(B) characteristics of participants;

(C) the extent to which applicable performance standards are met;

(D) the extent to which the service delivery area has met its goals for the training and placement of older individuals, displaced homemakers and other targeted populations; and

(E) a description of the number of older individuals, displaced homemakers and other targeted individuals trained and placed in unsubsidized employment, the socioeconomic characteristics of such older individuals, displaced homemakers and other targeted populations participating in the program, and wage and placement outcomes, including the extent to which such older individuals were placed in part-time employment, and the type of training received.

(c) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved job training plan, the private industry council and the appropriate chief elected official or offiicals (as described in section 103(c)) shall submit a modification of such plan (including modification of the budget under subsection (b)(6)), which shall be subject to review in accordange with section 105.

REVIEW AND APPROVAL OF PLAN

SEC. 105. (a)(1) Not less than 120 days before the beginning of the first of the two program years covered by the job training plan—

(A) the proposed plan or summary thereof shall be published; and

(B) such plan shall be made available for review and comment to—

(i) each house of the State legislature for appropriate referral;

(ii) appropriate *community based organizations and* local educational and other public agencies in the service delivery area; and

(iii) labor organizations in the area which represent employees having the skills in which training is proposed; and

(C) such plan shall be reasonably available to the general public through such means as public hearings and local news facilities.

(2) The final plan, or a summary thereof, shall be published not later than 80 days before the first of the two program years and shall be submitted to the Governor in accordance with section 103(d)(2). Any modification shall be published not later than 80 days before it is effective and shall be submitted to the Governor in accordance with such section.

(b)(1) The Governor shall approve the job training plan or modification thereof unless he finds that—

(A) corrective measures for deficiencies found in audits or in meeting performance standards from previous years have not been taken or are not acceptably underway;

(B) the entity proposed to administer the program does not have the capacity to administer the funds;

(C) there are inadequate safeguards for the protection of funds received;

(D) the plan (or modification) does not comply with a particular provision or provisions of this Act or of regulations of the Secretary under this Act; or

(E) the plan (or modification) does not comply with the criteria under section 121(b) for coordinating activities under this Act with related program activities.

(2) The Governor shall approve or disapprove a job training plan (or modification) within 30 days after the date that the plan (or modification) is submitted, except that if a petition is filed under paragraph (3) such period shall be extended to 45 days. Any disapproval by the Governor may be appealed to the Secretary, who shall make a final decision of whether the Governor's disapproval complies with paragraph (1) of this subsection within 45 days after receipt of the appeal.

(3)(A) Interested parties may petition the Governor within 15 days of the date of submission for disapproval of the plan or modification thereof if—

(i) the party can demonstrate that it represents a substantial client interest,

(ii) the party took appropriate steps to present its views and seek resolution of disputed issues prior to submission of the plan to the Governor, and

(iii) the request for disapproval is based on a violation of statutory requirements.

(B) If the Governor approves the plan (or modification), the Governor shall notify the petitioner in writing of such decision and the reasons therefor.

(c)(1) If a private industry council and the appropriate chief elected official or officials fail to reach the agreement required under section 103 (b) or (d) and as a consequence funds for a service delivery area may not be made available under section 104, then the Governor shall redesignate, without regard to sections 101 (a)(4) and (c)(1), the service delivery areas in the State to merge the affected area into one or more other service delivery areas, in order to promote the reaching of agreement.

(2) In any State in which service delivery areas are redesignated under paragraph (1), private industry councils shall, to the extent necessary for the redesignation, be reconstituted and job training plans modified as required to comply with sections 102 and 103. Services under an approved plan shall not be suspended while the council is reconstituted and the plan is modified.

(d) In any case in which the service delivery area is a State, the plan (or modification) shall be submitted to the Secretary for approval. For the purpose of this subsection, the Secretary shall have the same authority as the Governor has under this section.

PERFORMANCE STANDARDS

SEC. 106. (a) The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

(1) it is essential that criteria for measuring the return on this investment be developed; and

⟦(2) the basic return on the investment is to be measured by the increased employment and earnings of participants and the reductions in welfare dependency.⟧

(2) the criteria for measuring the basic return on the investment shall include indicators of long-term economic self-sufficiency as measured by increased educational attainment and occupational skills, increased employment and earnings, and reduction in welfare dependency.

⟦(b)(1) The basic measure of performance for adult training programs under title II is the increase in employment and earnings and the reductions in welfare dependency resulting from participation in the program. In order to determine whether these basic measures are achieved, the Secretary shall prescribe standards on the basis of appropriate factors which may include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, and (D) reduction in the number of individuals and families receiving cash welfare payments and the amounts of such payments.

⟦(2) In prescribing standards under this section the Secretary shall also designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of recognized employment competencies recognized by the private industry council, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships or enlistment in the Armed Forces.

[(3) The standards shall include provisions governing—

[(A) the base period prior to program participation that will be used;

[(B) a representative period after termination from the program that is a reasonable indicator of postprogram earnings and cash welfare payment reductions; and

[(C) cost-effective methods for obtaining such data as is necessary to carry out this section, which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.

[(4) The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures.

[(5) The Secretary shall prescribe performance standards under this section for programs authorized by title V, relating to the placement of individuals eligible under such title, in accordance with the criteria specified in section 511(c).

[(c) Within six months after the date of the enactment of this Act, the Secretary shall establish initial performance standards which are designed to contribute to the achievement of the performance goals set forth in subsection (b)(1), based upon data accumulated under the Comprehensive Employment and Training Act, from the National Commission for Employment Policy, and from other appropriate sources. In the development of the initial standards under this subsection, the Secretary shall relate gross program expenditures to the accomplishment of program goals set forth in subsection (b)(1).

[(d)(1) The Secretary shall, not later than January 31, 1984, prescribe performance standards for the first program year under this Act to measure the results of the participation in the program to achieve the goals set forth in subsection (b)(1) based upon the initial standards established in subsection (c).

[(2) The Secretary, not later than six months after the completion of the first two program years, shall prepare and submit a report to the Congress containing the performance standards established under paragraph (1) of this subsection, together with an analysis of the manner in which the performance standards contribute to the achievement of the goals set forth in subsection (b)(1), including the relative importance of each standard to the accomplishment of such goals.

[(3) The Secretary shall prescribe variations in performance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964, and May 7, 1975, and offenders, taking into account their special circumstances.

[(4)(A) The Secretary may modify the performance standards under this subsection not more often than once every two program years and such modifications shall not be retroactive.

[(B) The Secretary shall prepare and submit a report to the Congress containing any modifications established under subparagraph (A), and the reasons for such modifications.

[(e)(1) Each Governor may prescribe, within parameters established by the Secretary, variations in the standards under this subsection and subsection (g) based upon specific economic, geographic, and demographic factors in the State and in substate areas and in service delivery areas within the State, the characteristics of the population to be served, and the type of service to be provided.

[(2) The Secretary shall—

[(A) provide improved information and technical assistance on performance standards adjustments;

[(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency; and

[(C) provide guidance on setting performance goals at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

The Secretary shall also reexamine performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act, relating to aid to families with dependent children, and title XVI of such Act, relating to supplemental security income.

[(f) The National Commission for Employment Policy shall (1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (e), (2) evaluate the usefulness of such standards as measures of desired performance, and (3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in service delivery areas.

[(g)(1) The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

[(2) Any performance standard that may be prescribed under paragraph (1) of this subsection shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

[(h)(1) The Governor shall provide technical assistance to programs which do not meet performance criteria. If the failure to meet performance standards persists for a second year, the Governor shall impose a reorganization plan. Such plan may restructure the private industry council, prohibit the use of designated service providers or make such other changes as the Governor deems necessary to improve performance. The Governor may also select an alternate entity to administer the program for the service delivery area.

[(2) The alternate administrative entity may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area.

[(3) No change may be made under this subsection without an opportunity for a hearing before a hearing officer.

[(4) The decision of the Governor may be appealed to the Secretary, who shall make a final decision within 60 days of the receipt of the appeal.]

(b)(1) In order to determine whether the basic measures specified in subsection (a) are achieved for programs under parts A and B of title II, the Secretary, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall prescribe performance standards.

(2) The standards for adult programs under part A of title II shall be based on appropriate factors which may include—

- *(A) placement in unsubsidized employment,*
- *(B) retention for more than 6 months in unsubsidized employment,*
- *(C) the increase in earnings, including hourly wages,*
- *(D) the attainment of basic skills and workplace competencies required to ensure continued employability in the local labor market, the acquisition of a high school diploma or a general equivalency diploma, and*
- *(E) the reduction in welfare payments.*

(3) In addition to the appropriate utilization of the factors described in paragraph (2), the standards for youth programs under part B of title II shall include—

- *(A) attainment of employment competencies,*
- *(B) elementary, secondary, and postsecondary school completion or the equivalent thereof, and*
- *(C) enrollment in other training programs or apprenticeships, or enlistment in the Armed Forces.*

The Secretary may prescribe variations in the standards set forth in this paragraph to reflect the differences between in-school and out-of-school programs.

(4) The private industry council, in consultation with the educational agencies, community-based organizations and the private sector, shall determine the levels for youth and adult competency standards based on such factors as entry skill levels and other hiring requirements.

(5) The standards shall include provisions governing—

- *(A) the base period prior to program participation that will be used;*
- *(B) a representative period after termination from the program that is a reasonable indicator of postprogram earnings and cash welfare payment reductions; and*
- *(C) cost effective methods for obtaining such data as is necessary to carry out this subsection, which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.*

(6) The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures.

(7) From funds available pursuant to the provisions of sections 202(d)(2)(C) and 252(d)(2)(C), each Governor shall award incentive funds to service delivery areas conducting programs under title II for achieving performance standards (except for standards relating

to costs) based on factors designated by the Secretary, which shall include—

(A) the extent to which hard-to-serve individuals and target groups are successfully served, and

(B) the quality of service, such as the type or intensity of service provided.

(c)(1) The Secretary shall prescribe performance standards for programs under title III based on participant placement and retention in unsubsidized employment.

(2) Any performance standard that may be prescribed under paragraph (1) of this subsection for programs under title III shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

(d) Each Governor shall prescribe, within parameters established by the Secretary, variations in the standards issued under subsections (b) and (c) based upon specific economic, geographic, and demographic factors in the State and in service delivery areas and substate areas within the State, the characteristics of the population to be served, the demonstrated difficulties in serving the population, and the type of services to be provided.

(e) The Governor may prescribe performance standards for programs under titles II and III in addition to those standards established by the Secretary under subsections (b) and (c).

(f) The Secretary shall prescribe performance standards for programs under parts A, B and J of title IV.

(g) The Secretary shall prescribe a system for adjustments in performance standards for target populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964, and May 7, 1975, offenders, and displaced homemakers, taking into account their special circumstances.

(h)(1) The Secretary may modify the performance standards under this section not more often than once every two program years and such modifications shall not be retroactive.

(2) Notwithstanding paragraph (1), the Secretary may modify standards relating to programs under part B of title IV each program year.

(3) The Secretary shall prepare and submit a report to the Congress containing any modifications established under paragraph (1), and the reasons for such modifications.

(i) The National Commission on Employment Policy shall—

(1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (d),

(2) evaluate the usefulness of such standards as measures of desired performance, and

(3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served in service delivery areas, what services are provided, and the costs of such services in service delivery areas.

(j)(1) The Governor shall provide technical assistance to service delivery areas and substate areas within the State which do not meet

performance standards. If the failure to meet performance standards persists for a second year, the Governor shall impose a reorganization plan. Such plan may restructure the private industry council, prohibit the use of designated service providers or make such other changes as the Governor deems necessary to improve performance. The Governor may also select an alternate entity to administer the program for the service delivery area or substate area.

(2) The alternate administrative entity may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area or substate area.

(3) No change may be made under this subsection without an opportunity for a hearing before a hearing officer.

(4) The decision of the Governor may be appealed to the Secretary, who shall make a final decision within 60 days of the receipt of the appeal.

SELECTION OF SERVICE PROVIDERS

SEC. 107. (a) The primary consideration in selecting agencies or organizations to deliver services within a service delivery area shall be the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In complying with this subsection, proper consideration shall be given to community-based organizations as service providers.

(b) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve the service delivery area's performance goals.

(c) Appropriate education agencies in the service delivery area shall be provided the opportunity to provide educational services, unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(d) The administrative entity shall not fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the private industry council.

(e) The selection of service providers shall be made on a competitive basis to the maximum extent possible, and shall include at a minimum—

(1) a determination of the ability of the service provider to meet program design specifications established by the administrative entity that take into account the purpose of the Act and the goals established by the Governor in the Coordination and Special Services Plan; and

(2) documentation of compliance with procurement standards established by the Governor, including the reasons for selection.

Specific justification must be provided whenever a sole source procurement is awarded.

(f) In the selection of service providers to serve older individuals, displaced homemakers, and other targeted populations, the service delivery area shall give priority to those agencies and organizations that have a record of demonstrated effectiveness in serving such older individuals, displaced homemakers and other targeted populations.

LIMITATION ON CERTAIN COSTS

SEC. 108. [(a) Not more than 15 percent of the funds available to a service delivery area for any fiscal year for programs under part A of title II may be expended for the cost of administration. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 204(28) shall not be counted as part of the cost of administration.] *(a) IN GENERAL.—(1) Except as provided in section 141(d)(3), funds expended for allowable activities under this Act shall be charged to appropriate cost categories.*

(2) For programs under this Act, administration does not include the cost of activities directly related to the provision of services to eligible individuals.

[(b)(1) Not more than 30 percent of the funds available to a service delivery area for any fiscal year for programs under part A of title II may be expended for administrative costs (as defined under subsection (a)) and costs specified in paragraph (2).

[(2)(A) For purposes of paragraph (1), the costs specified in this paragraph are—

[(i) 50 percent of any work experience expenditures which meet the requirements of paragraph (3);

[(ii) 100 percent of the cost of any work experience program expenditures which do not meet the requirements of paragraph (3);

[(iii) supportive services; and

[(iv) needs-based payments described in section 204(27).

[(B) For purposes of paragraph (1), the costs specified in this paragraph do not include expenditures for tryout employment which meets the requirements of section 205(d)(3)(B).

[(3) For purposes of paragraph (2), a work experience expenditure meets the requirements of this paragraph if—

[(A) the work experience is of not more than 6 months' duration and is combined with a classroom or other training program;

[(B) an individual participant is prohibited from participating in any other work experience program following participation in a program meeting the requirements of this paragraph;

[(C) the classroom or other training program component is specified in a preemployment contract or meets established academic standards; and

[(D) wages paid in the work experience program do not exceed the prevailing entry-level wage for the same occupation in the same labor market area.]

(b)(1) Of the funds available to a service delivery area for any fiscal year under parts A and B of title II—

(A) not more than 15 percent shall be expended for administration; and

(B) not more than 35 percent shall be expended for administration and costs specified in paragraph (2).

(2) For purposes of paragraph (1)(B), the costs specified in this paragraph are—

(A) 50 percent of work experience expenditures under part A of title II;

(B) 50 percent of work experience expenditures under part B of title II that are used to provide work experience in excess of 250 hours for a participant during nonsummer months;

(C) supportive services; and

(D) needs-based payments and performance-based incentives to participants.

(3) For purposes of paragraph (1), each service delivery area shall ensure that for all services provided to participants through contracts, grants, or other agreements with a local provider, such contract, grant, or agreement shall include proportionate amounts necessary for administrative costs and supportive services.

(c)(1) Notwithstanding the 15 percent limitation contained in subsection (b)(1)(A), up to 20 percent of the funds available to a service delivery area for any fiscal year under parts A and B of title II may be expended for administration if the following conditions are met:

(A) the request for the increase in administrative costs and the need for the increase is justified in the job training plan (or modification thereof); and

(B) the need for the additional costs is related to—

(i) outreach and recruitment of hard-to-serve populations; or

(ii) innovative or extensive arrangements of linkages with other programs and organizations.

(2) Notwithstanding the 35 percent limitation contained in subsection (b)(1)(B), up to 40 percent of the funds available for any fiscal year under parts A and B of title II may be expended for the costs of administration and the costs specified in subsection (b)(2) if the request for the increase in the limitation is contained in the job training plan (or modification thereof) and a request for an increase in the administration cost limitation pursuant to paragraph (1) is approved.

[(c)] *(d)*(1) Notwithstanding subsection (b)*(1)(B)*, expenditures may be made in excess of the limitation contained in such subsection if such expenditures are made in accordance with the requirements of this subsection.

(2) Expenditures may be made in excess of the limitation contained in subsection (b)*(1)(B)* in any service delivery area if—

(A) the private industry council for such area initiates a request for such excess costs; and

(B) excess costs are due to one or more of the following conditions in such area:

(i) an unemployment rate (in the service delivery area or that portion within which services resulting in excess costs are to be provided) which exceeds the national average unemployment rate by at least 3 percentage points, and the ratio of current private employment to population in such area or portion is less than the national average of such ratio;

(ii) the job training plan for such area proposes to serve a disproportionately high number of participants from groups requiring exceptional supportive service costs, such as handicapped individuals, including disabled veterans, offenders, and single heads of households with dependent children;

(iii) the cost of providing necessary child care exceeds one-half of the costs specified in paragraph (2) of subsection (b);

(iv) the costs of providing necessary transportation exceeds one-third of the costs specified in paragraph (2) of subsection (b); or

(v) a substantial portion of the participants in programs in the service delivery area are in training programs of 9 months' duration or more.

(3) Expenditures may be made in excess of the limitation contained in subsection (b)*(1)(B)* if the need for and the amount of the excess is stated in the job training plan (or modification thereof) for the service delivery area and such plan demonstrates that administrative costs comply with subsection [(a)] *(b)(1)(A)* of this section.

(4) The provisions of this subsection shall not be available to the extent that supportive services provided under the job training plan duplicate services provided by any other public or private source that are available to participants without cost.

(5) The Governor shall not disapprove any plan (or modification thereof) on the basis of any statement of the need for and amount of excess costs in the job training plan if such plan or modification meets the requirements of this subsection.

[(d)] *(e)* The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

[(e)] *(f)* This section shall not be construed to exempt programs under an approved plan from the performance standards established under section 106.

SERVICE DELIVERY AREA TRANSFER AND AGREEMENT

SEC. 109. (a) Any service delivery area may enter into an agreement with another service delivery area to share the cost of educating, training, and placing individuals participating in programs assisted under this Act, including the provision of supportive services. Such agreement shall be approved by an individual representing each private industry council providing guidance to the service delivery area.

(b) Each service delivery area entering into a service delivery area agreement pursuant to this section shall be credited under the appropriate performance standards.

REALLOTMENT

SEC. 110. (a) The Secretary is authorized to reallot among States any amounts allotted under parts A and B of title II to the extent that the Secretary determines that the State or one of the State's service delivery areas will not be able to spend such amounts within a reasonable period of time.

(b)(1) The Secretary shall provide 30 days advance notice to the Governor and to the general public of any reallotment. During such period comments may be submitted to the Secretary.

(2) After considering any comments submitted during such period, the Secretary shall notify the Governor of any decision to reallot funds, and shall publish such decision in the Federal Register.

(3) In realloting any funds the Secretary shall give priority to States and service delivery areas which have satisfactorily spent the previous fiscal year's allotment and which have experienced high rates of unemployment for an extended period of time.

PART B—ADDITIONAL STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 121. (a)(1) The Governor shall annually prepare a statement of goals and objectives for job training and placement programs within the State to assist in the preparation of the plans required under section 104 of this Act and section 8 of the Act of June 6, 1933 (known as the Wagner-Peyser Act).

(2) Any State seeking financial assistance under this Act shall submit a Governor's coordination and special services plan for two program years to the Secretary describing the use of all resources provided to the State and its service delivery areas under this Act and evaluating the experience over the preceding two years.

(b)(1) The plan shall establish criteria for coordinating activities under this Act (including title III) with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development agencies, programs for the homeless and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State. *The Governor's coordination and special services plan shall also include criteria for coordinating Job Training Partnership Act activities with programs and services provided by State and local agencies on aging, and program operated under title V of the Older Americans Act.* Such criteria shall not affect local discretion concerning the selection of eligible participants or service providers in accordance with the provisions sections 107 and 203.

[(2) The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs.**]**

(2) The plan shall describe the measures taken by the State to ensure coordination and avoid duplication of programs between the State agencies administering the JOBS program and programs

under title II in the planning and delivery of services. The plan shall describe the procedures developed by the State to ensure that the State JOBS plan is consistent with the coordination criteria specified in the plan and shall identify the procedures developed to provide for the review of the JOBS plan by the State Job Training Coordinating Council.

(3) The plan shall describe the projected use of resources, including oversight of program performance, program administration, program financial management, capacity building, priorities and criteria for State incentive grants, and performance goals for State supported programs. The description of capacity building shall include the Governor's plans for research and demonstration projects, technical assistance for service delivery areas and service providers, interstate technical assistance and training arrangements, and other coordinated technical assistance arrangements for service delivery areas and service providers pursuant to the direction of the Secretary.

[(3)**]** *(4)* The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

(A) training activities for eligible individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; **[**and**]**

(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals**[**.**]***; and*

(C) services to older workers, including plans for facilitating the provision of services across service delivery areas within the State, as provided in section 104(b)(9).

[(4)**]** *(5)* The Governor shall report to the Secretary the adjustments made in the performance standards and the factors that are used in making the adjustments.

[(5)**]** *(6)* If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

(c) Governor's coordination and special services activities may include—

(1) making available to service delivery areas, with or without reimbursement and upon request, appropriate information and technical assistance to assist in developing and implementing plans and programs;

(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

(3) providing programs and related services for offenders, homeless individuals and other individuals whom the Governor determines require special assistance;

(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

(5) providing training opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

(6) industry-wide training;

(7) *coodination of activities relating to part A of title II with* activities under title III of this Act;

(8) developing and providing to service delivery areas information on a State and local area basis regarding economic, industrial, and labor market conditions;

(9) providing preservice and inservice training for planning, management, and delivery staffs of administrative entities and private industry councils, as well as contractors for State supported programs; [and]

(10) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs, including Veterans' Administration programs[.]*; and*

(11) initiatives undertaken pursuant to the State innovation and coordination program set forth in part C of title II.

(d) A Governor's coordination and special services plan shall be approved by the Secretary unless the Secretary determines that the plan does not comply with specific provision of this Act.

[STATE JOB TRAINING COORDINATION COUNCIL]

STATE HUMAN RESOURCE INVESTMENT COUNCIL

SEC. 122. [(a)(1) Any State which desires to receive financial assistance under this Act shall establish a State job training coordinating council (hereinafter in this section referred to as the "State council"). Funding for the council shall be provided pursuant to section 202(b)(4).] *(a)(1) Any State which desires to receive financial assistance under this Act shall establish a State human resource investment council as required by section 201(a) of the Job Training and Basic Skills Act of 1989 and shall require such council to act as a State job training coordinating council. Funding for the duties of the council under this Act shall be provided pursuant to sections 202(d)(2)(A) and 252(d)(2)(A).*

[(2) The State council shall be appointed by the Governor, who shall designate one nongovernmental member thereof to be chairperson. In making appointments to the State council, the Governor shall ensure that the membership of the State council reasonably represents the population of the State.

[(3) The State job training coordinating council shall be composed as follows:

[(A) Thirty percent of the membership of the State council shall be representatives of business and industry (including agriculture, where appropriate) including individuals who are representatives of business and industry on private industry councils within the State.

[(B) Thirty percent of the membership of the State council shall be—

[(i) representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the state advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization with the State; and

[(ii) representatives of the units or consortia of general local government in the State who shall be nominated by the chief elected officials of the units or consortia of units of general local government, and the representatives of local educational agencies who shall be nominated by local educational agencies.

[(C) Thirty percent of the membership of State council shall be representatives of organized labor and representatives of community-based organizations in the State.

[(D) Ten percent of the membership of the State council shall be appointed from the general public by the Governor of the State.

[(4) The State council shall meet at such times and in such places as it deems necessary. The meetings shall be publicly announced, and, to extent appropriate, open and accessible to the general public.]

[(5)] *(2)* The [State council] *State human resources investment council* is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

[(6)] *(3)* In order to assure objective management and oversight, the [State council] *State human resources investment council in carrying out its duties under this Act,* shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

[(7)] *(4)* The plans and decisions of the [State council] *State human resources investment council relative to carrying out its duties under this Act* shall be subject to approval by the Governor.

(b) The State council shall—

(1) recommend a Governor's coordination and special services plan;

(2) recommend to the Governor substate service delivery areas, plan resources allocations not subject to section 202(a), provide management guidance and review for all programs in the State, develop appropriate linkages with other programs, coordinate activities with private industry councils, and develop the Governor's coordination and special services plan and recommend variations in performance standards;

(3) advise the Governor and local entities on job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

(4) review the operation of programs conducted in each service delivery area, and the availability, responsiveness, and ade-

quacy of State services, and make recommendations to the Governor, appropriate chief elected officials, and private industry councils, service providers, the State legislature, and the general public with respect to ways to improve the effectiveness of such programs or services;

(5) review and comment on the State plan developed for the State employment service agency;

(6) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist service delivery areas in carrying out the purposes of this Act;

(7)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State, and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, eonomic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the measures taken pursuant to section 113(b)(9) of the Carl D. Perkins Vocational Education Act; and

(8) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from any State coordinating committee for the work incentive program under title IV of the Social Security Act or any advisory council established under the Wagner-Peyser Act.

Secs. 123–124 [Repealed].

STATE LABOR MARKET INFORMATION PROGRAMS

Sec. **[**125**]** *123.* (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 202(b)(4) and section 461(b), the Governor shall designate the State occupational information coordinating committee or other organizational unit to be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsive to the economic demand and education and training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44, United States Code, and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; and

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system.

(b)(1) The analysis required under clause (2) of subsection (a) shall be used to contribute in carrying out the provisions of this Act, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933, known as the Wagner-Peyser Act.

(2) The assurance required by clause (3) of subsection (a) shall also include that the State will, to the maximum extent possible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping of State and local agencies, including secondary and postsecondary educational institutions.

(3) If any Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results will remain in the public domain.

(c) The Secretary through the National Occupational Information Coordinating Committee shall reimburse the States the costs of carrying out the provisions of this section but the aggregate reimbursements in any fiscal year shall not exceed the amount available under part E of title IV for this section.

(d) No provision of this part or any other provision of Federal law shall be construed to prohibit any State from combining or consolidating Federal administrative management information reporting requirements relating to employment, productivity, or training, if notice is transmitted by the Governor to the head of each appropriate Federal and State agency responsible for the laws governing the Federal reporting requirements. The notice shall specify the intent to combine or consolidate such requirements. The head of each appropriate Federal agency shall approve the combination or consolidation unless, within sixty days after receiving the notice, the Federal agency can demonstrate that the combination or consolidation will not meet the essential purposes of the affected Federal law.

AUTHORITY OF STATE LEGISLATURE

Sec. [126] *124.* Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this Act, of the programs assisted under this Act.

INTERSTATE AGREEMENTS

Sec. [127] *125.* In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

Part C—Program Requirements for Service Delivery System

GENERAL PROGRAM REQUIREMENTS

Sec. 141. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a) Each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities and shall make efforts to provide equitable services among substantial segments of the eligible population.

(b) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

(c) No funds may be used to assist in relocating establishments, or parts thereof, from one area to another unless the Secretary determines that such relocation will not result in an increase in unemployment in the area of original location or in any other area.

(d)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and consideration in the selection of training programs may be given to training in occupations determined to be in sectors of the economy which have a high potential for sustained demand or growth.

(2) Efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.

(3)*(A)* Commercially available training packages, including advanced learning technology, may be purchased for off-the-shelf prices and without requiring a breakdown of the cost components of the package if such packages are purchased competitively and include performance criteria.

(B) Tuition charges for training or education provided by an institution of higher education or postsecondary institution which are not more than the charges for such training or education made

available to the general public do not require a breakdown of cost components.

(e) Only eligible individuals residing in the service delivery area may be served by employment and training activities funded under title II, except that the job training plan may provide for limited exceptions to this requirement, including exceptions necessary to permit services to homeless individuals who cannot prove residence within the service delivery area.

(f) No member of any council under this Act shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter which would provide direct financial benefit to that member.

(g)*(1)* Payments to employers for on-the-job training shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to such participants, and payments in such amount shall be deemed to be in compensation for the extraordinary costs associated with training participants under this Act and in compensation for the costs associated with the lower productivity of such participants.

(2) On-the-job training authorized under the Act shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed 6 months. In making this determination, consideration shall be given to recognized reference material, the content of the participant's training, and the participant's service strategy.

(h) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State or local sources, unless the plan establishes that alternative services or facilities would be more effective or more likely to achieve performance goals.

(i) Each administrative entity shall be responsible for the allocation of funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Administrative entities may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if such an arrangement is included in an approved job training plan.

(j) No person or organization may charge an individual a fee for the placement or referral of such individual in or to a training program under this Act.

(k) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with section 205(d)(3)(B).

(l) The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

(m) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

(n) The Secretary shall notify the Governor and the appropriate private industry councils and chief elected officials of, and consult with the Governor and such councils and officials concerning, any activity to be funded by the Secretary under this Act within the State or service delivery area; and the Governor shall notify the appropriate private industry councils and chief elected officials of, and consult with such concerning, any activity to be funded by the Governor under this Act within the service delivery area.

(o)(1) All education programs for youth supported with funds provided under title II shall be consistent with applicable State and local educational standards.

(2) Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under such title shall be consistent with the requirements of applicable State and local law and regulation.

(p) No funds available under **[**part B of this title or part A of**]** title II may be used for public service employment.

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PART D—FEDERAL AND FISCAL ADMINISTRATIVE PROVISIONS

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FISCAL CONTROLS; SANCTIONS

SEC. 164. **[**(a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under titles II and III. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

[(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of each recipient of funds under titles II and III of this Act. Under criteria established by the Director of the Office of Management and Budget, and upon application by the Governor, the Secretary may exempt designated recipients from all or part of the requirements of this section, except that any such exemption shall not apply to the State administering agency, the entity which is the administrative entity for the job training plan for a service delivery area, or a private industry council. Any exemption under this section may be withdrawn by the Secretary in consultation with the Diretor of the Office of Management and Budget.**]** *(a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under titles II and III.*

(2) The Governor shall establish procurement standards to ensure that, for States, substate areas, and service delivery areas—

(A) procurements, to the maximum extent possible, shall be competitive, except where sole source is specifically justified;

(B) procurements shall include an analysis of the reasonableness of costs in the contract;

(C) local written selection procedures shall be established prior to seeking or considering proposals;

(C) local written selection procedures shall be established prior to seeking or considering proposals;

(D) all deliverables and the basis of payment shall be specified in the contract; and

(E) grant recipients conduct oversight to ensure compliance with procurement standards.

(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

(b)(1) Whenever, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific provision of this Act or the regulations, and corrective action has not been taken, the Governor may issue a notice of intent to revoke approval of all or part of the plan affected. Such notice may be appealed to the Secretary under the same terms and conditions as the disapproval of the plan and shall not become effective until (A) the time for appeal has expired or (B) the Secretary has issued a decision.

(2) The Governor shall withdraw the notice if the appropriate corrective action has been taken.

(c)(1) The Comptroller General of the United States shall, on a selective basis, evaluate the expenditures by the recipients of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of each recipient in accomplishing the purposes of this Act. The Comptroller General shall conduct the evaluations whenever he determines it necessary and he shall periodically report to the Congress on the findings of such evaluations.

(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State, a private industry council established under section 102 of this Act, any recipient of funds under this Act, or any subgrantee or contractor of such recipients.

(d) Every recipient shall repay to the United States amounts found not to have been expended in accordance with this Act. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act unless he determines that such recipient should be held liable pursuant to subsection (e). No such action shall be taken except after notice and opportunity for a hearing have been given to the recipient.

(e)(1) Each recipient shall be liable to repay such amounts, from funds other than funds received under this Act, upon a determination that the misexpenditure of funds was due to willful disregard of the requirements of this Act, gross negligence, or failure to observe accepted standards of administration. No such finding shall be made except after notice and opportunity for a fair hearing.

(2) In determining whether to impose any sanction authorized by this section against a recipient for violations by a subgrantee of such recipient under this Act or the regulations under this Act, the Secretary shall first determine whether such recipient has adequate demonstration that it has—

(A) establishment and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

(3) If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. The Secretary is authorized to impose any sanction consistent with the provisions of this Act and any applicable Federal or State law directly against any subgrantee for violation of this Act or the regulations under this Act.

(f) In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, if the recipient is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment was required to be made by and with the advise and consent of the Senate.

(g) If the Secretary of determines that any recipient under this Act has discharged or in any other manner discriminated against a participant or against any individual in connection with the administration of the program involved, or against any individual because such individual has filed any complaint or instituted or closed to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any individual a benefit to which that individual is entitled under the provisions of this Act or the Secretary's regulations, the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved individual, or both.

(h) The remedies under this section shall not be construed to be exclusive remedies.

REPORTS, RECORDKEEPING, AND INVESTIGATIONS

SEC. 165. (a)(1) Recipients shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

(2) Every recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary requires regarding the performance of its programs. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by the Congress or a committee thereof.

(b)(1)(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct, in several States, in each fiscal year investigations of the use of funds received by recipients under this Act.

(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any recipient.

(2) In conducting any investigation under this Act, the Secretary or the Comptroller General of the United States may not request the compliation of any new information not readily available to such recipient.

(c) Each State, each administrative entity designated under title I, and each recipient (other than a subrecipient, grantee or contractor of a recipient) receiving funds under this Act shall—

(1) make such reports concerning its operations and expenditures as shall be prescribed by the Secretary[; and];

(2) prescribe and maintain a management information system, in accordance with guidelines prescribed by the Secretary, designed to facilitate the uniform compilation and analysis of programmatic and financial data, on statewide and service delivery area bases, necessary for reporting, monitoring, and evaluating purposes[.]*; and*

(3) monitor the performance of service providers in complying with the terms of grants, contracts, or other agreements made pursuant to this Act.

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TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

[PART A—ADULT AND YOUTH PROGRAMS

[ALLOTMENT

[SEC. 201. (a) Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

[(b)(1) Subject to the provisions of paragraph (2), of the remainder of the amount available for this part for each fiscal year—

[(A) 33⅓ percent shall be allotted on the basis of the relative number of employed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

[(B) 33⅓ percent shall be allotted on the basis of the relative number of employed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States;

[(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged individuals within the State compared to the total number of economically disadvantaged individuals in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged individuals in such area.

[(2)(A) No State shall receive less than one-quarter of 1 percent of the amounts available for allotment under this subsection for each such fiscal year.

[(B) No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this subparagraph, the allotment percentage for each State for the fiscal year 1982 is the percent that each State received in 1982, pursuant to the formula allocations made under the Comprehensive Employment and Training Act, of the total such formula allocations for all State made under tha Act in fiscal year 1982. For each succeeding fiscal year, the allotment percentage of a State shall be the percentage which the State received of all allotments pursuant to this subsection.

[(3) For purposes of paragraph (1)—

[(A) the term "excess number" means the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number which represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

[(B) the term "economically disadvantaged" means an individual who has, or is a member of a family which has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level.]

[WITHIN STATE ALLOCATION

[SEC. 202. (a)(1) The Governor shall, in accordance with section 162, allocate 78 percent of the allotment of the State (under section 201(b)) for such fiscal year among service delivery areas within the State in accordance with paragraph (2).

[(2) Subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total excess number of such unemployed individuals in all such areas of substantial unemployment in the State;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State;

[(C) 33⅓ percent shall be allocated on this basis of the relative number of economically disadvantaged individuals within each service delivery area compared to the total number of economically disadvantaged individuals in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of adults in families with an income below the low-income level in such area as the number of economically disadvantaged individuals in such area.

[(3) For fiscal years beginning after September 30, 1986, no service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the two preceding fiscal years preceding the fiscal year for which the determination is made. The allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated pursuant to this subsection to all service delivery areas within the State for each such preceding fiscal year. If the amounts appropriated pursuant to section 3 (a) and (b) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.]

PART A—ADULT OPPORTUNITY PROGRAM

STATEMENT OF PURPOSE

SEC. 201. It is the purpose of this part to establish programs to prepare adults for participation in the labor force by increasing occupational and educational skills resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

ALLOTMENT

SEC. 202. (a) Not more than one quarter of one percent of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the

Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau and the Commonwealth of the Northern Mariana Islands.

(b) Of the amount available to carry out the provisions of this part that remains after the allotment is made under subsection (a), the Secretary shall reserve not more than 5 percent to carry out part C of this title.

(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 91 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. Each State shall allocate such funds to the service delivery areas in such amounts as determined by the Secretary pursuant to paragraph (2). The remaining 9 percent shall be allotted in accordance with subsection (d).

(2) Subject to the provisions of paragraph (3), of the amounts allotted to services delivery areas under this subsection for each fiscal year—

(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each service delivery area as compared to the total number of economically disadvantaged adults in all service delivery areas in all States;

(B) 25 percent shall be allotted on the basis of the relative concentration of economically disadvantaged adults within each service delivery area as compared to the total concentration of economically disadvantaged adults in all service delivery areas in all States; and

(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals who reside in each service delivery area as compared to the total number of unemployed individuals in all service delivery areas in all States.

(3)(A) No service delivery area shall be allocated less than 90 percent, or more than 115 percent, of its allocation percentage under this part for the fiscal year preceding the fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(a) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

(B)(i) Except as otherwise provided in this subparagraph, the allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated under this part for such fiscal year to all service delivery areas in all States.

(ii) The allocation percentage for fiscal year 1990 shall be the percentage of funds allocated for adult programs under title II to the service delivery area during the preceding fiscal year.

(C) Notwithstanding subparagraph (A), the total allocation under this subsection for all service delivery areas within any one State for any fiscal year shall not be less than one-quarter of 1 percent of the total amounts available for allotment under this subsection for such fiscal year.

(D) The private industry council in each service delivery area may reserve not more than 10 percent of the funds received under this part for experimental programming for hard-to-serve individuals.

The Comptroller General shall conduct a study to review and assess such experimental programs and post program results and shall submit the findings to the appropriate committees of Congress before September 30, 1994.

(4) For the purposes of this section—

(A) the term "economically disadvantaged" means an adult who has attained 22 years of age but not 73 years of age, and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level. For purposes of this subparagraph, and to the extent practicable, the Secretary shall exclude college students and members of the armed forces from the number of economically disadvantaged individuals;

(B) the term "concentration" means the number of economically disadvantaged adults in excess of 10 percent of the adult population in the service delivery area.

(d)(1) Subject to the provisions of section 453(e)(5), the remainder available for allotment under this part shall be allotted to the States for the activities described in paragraph (2). The allotment to each State shall be based upon the relative amount of funds available to service delivery areas within such State under subsection (c) as compared to the total amount of funds available to all service delivery areas in all States under subsection (c).

(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

(A) four-ninths shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122 of the Act;

(B) two-ninths shall be available for technical assistance in developing the overall capability of the job training system within the State, including the development and training of State and local service delivery area staff, service provider staff, the development of information and exemplary program activities, and the conduct of research and other activities, and the conduct of research and other activities designed to improve the level, degree, and goals of programs conducted under this Act; and

(C) three-ninths shall be available to provide incentive grants authorized under section 106(b)(7).

(e)(1) For fiscal years 1990, 1991, and 1992, the total of the amounts allotted to any State under subsections (c) and (d) and available to such State under subsection (b) shall not be less than 100 percent of the amount allotted to such State to carry out adult programs under title II in fiscal year 1989.

(2) The Secretary shall ratably adjust the amounts allotted under subsections (c) and (d) and available under subsection (b) to carry out the requirements of paragraph (1). In making such adjustments, the requirements of subsection (c)(3)(A) shall remain applicable.

ELIGIBILITY FOR SERVICES

SEC. 203. (a)(1) An individual shall be eligible to participate in the program under this part only if such individual is—

(A) 22 years of age or older; and

(B) economically disadvantaged.

(2) Not less than 70 percent of the participants in a program under this part in each service delivery area shall be individuals who, in addition to meeting the requirements of paragraph (1), are included in one or more of the following categories:

(A) basic skills deficient;

(B) school dropout;

(C) recipients of aid to families with dependent children who either meet the requirements of section 403(l)(2)(B) of the Social Security Act or have been provided an employability plan in accordance section 482(b) of the Social Security Act;

(D) individual with disabilities;

(E) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

(F) unemployed for the previous 6 months or longer; and

(G) offender.

(3)(A) Not more than 10 percent of all participants in programs assisted under this part in each service delivery area may be individuals who are not economically disadvantaged if such individuals are age 22 or older and experience 2 or more barriers to employment. Such barriers may include, but are not limited to, the categories described in paragraph (2), or categories such as individuals with limited English proficiency, displaced homemakers, older workers, veterans, alcoholics or addicts.

(4) Not less than 5 percent of participants in programs under this part in each service delivery area shall be individuals ages 55 or older.

(b) A service delivery area may transfer not more than 10 percent of the funds provided under this part to part B of this title for youth programs if a description of such transfer is included in the job training plan pursuant to section 104 and the Governor approves the transfer pursuant to section 105.

* * * * * * *

PROGRAM DESIGN

Sec. 204. (a) Program Design.—(1) The program assisted under this part shall include—

(A) an assessment of each participant's skill levels and service needs, including such factors as basic skills, occupational skills, prior work experience, and supportive service needs, provided that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program;

(B) development of service strategies which shall identify the employment goal, the appropriate achievement objectives, and the appropriate sequence of services for participants taking into account the assessments conducted pursuant to paragraph (1);

(C) a review of each participant's progress in meeting the objectives of the service strategy; and

(D) the following services, to be made available to a participant where the assessment and the service strategy indicate such services are appropriate:

(i) basic skills training; and

(ii) occupational skills training.

(b) Additional Services.—Subject to the limitations contained in subsection (c), services which may be made available to each participant under this part may include, but are not limited to—

(1) outreach to make individuals aware of, and encourage the use of, employment and training services;

(2) literacy and bilingual training;

(3) on-the-job training;

(4) education-to-work transition activities;

(5) work experience;

(6) vocational exploration;

(7) pre-apprenticeship programs;

(8) attainment of certificates of high school equivalence;

(9) skill upgrading and retraining;

(10) on-site industry specific training programs supportive of industrial and economic development;

(11) programs which combine workplace training with related instruction;

(12) entrepreneurial training;

(13) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment;

(14) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment and personnel to train workers in occupations for which demand exceeds supply;

(15) supportive services;

(16) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training;

(17) coordinated programs with other Federal employment-related activities;

(18) counseling;

(19) job search skills training and assistance;

(20) job clubs;

(21) provision of occupational and labor market information;

(22) specialized surveys not available through other labor market information sources;

(23) programs to develop work habits and other services to individuals to help them obtain and retain employment;

(24) development of job openings;

(25) disseminating information on program activities to employers;

(26) need-based payments;

(27) case management services;

(28) job placement; and

(29) post-program follow-up services.

(c)(1) Basic skills training authorized under this part shall, where appropriate, have a workplace context and be integrated with occupational skills training.

(2)(A) Except as provided in subparagraph (B), job search, job search skills training, job clubs, and work experience authorized under this part shall be accompanied by other services designed to increase a participant's basic education or occupational skills.

(B) The program under this part may provide job search, job search skills training and job clubs activities to a participant without the additional services described in subparagraph (A) only if—

(i) the participant's assessment and service strategy indicate that the additional services are not appropriate; and

(ii) the activities are not available to the participant through the employment service or other public agencies.

(3) Needs-based payments authorized under this part shall be limited to payments necessary for participation in the program under this part in accordance with a locally developed formula or procedure.

(4) Counseling and supportive services authorized under this part may be provided to a participant for a period up to one year after completion of the program.

COOPERATIVE ARRANGEMENTS

SEC. 205. (a) In conducting the program under this part, the service delivery area shall establish appropriate cooperative arrangements with other programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

(1) the Adult Education Act;
(2) the Carl D. Perkins Vocational Education Act;
(3) the Wagner-Peyser Act;
(4) part F of title IV of the Social Security Act;
(5) the employment program established pursuant to section 6(d) of the Food Stamp Act of 1977;
(6) the National Apprenticeship Act;
(7) the Rehabilitation Act of 1973;
(8) chapter 2 of title II of the Trade Act of 1974; and
(9) the Stewart B. McKinney Homeless Assistance Act.

(b) In addition to the cooperative arrangements required under subsection (a), each service delivery area receiving financial assistance under this part shall establish other appropriate cooperative arrangements to enhance the provision of services under this part. Such cooperative arrangements may be established with local educational agencies, local service agencies, public housing agencies, community-based organizations, literacy organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development, and social service programs.

STUDIES RELATING TO PLACEMENT AND TARGET POPULATIONS

SEC. 206. (a) The Comptroller General of the United States shall conduct a study to determine how many and what percentage of adults assisted under this part remain employed for at least 9 months after receiving assistance under this part. The Comptroller

General shall submit the findings to the appropriate committees of Congress within 2 years of the date of enactment of this Act.

(b) Not later than December 30, 1992, the Secretary of Labor shall report to Congress regarding the extent to which older individuals and displaced homemakers are being served under this Act, the socioeconomic characteristics of older individuals and displaced homemakers who are program participants, the effectiveness of the services received, and wage and placement outcomes, including the extent to which older individuals are placed in part-time employment.

[PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS]

PART B—YOUTH OPPORTUNITY PROGRAM

[PURPOSE

[SEC. 251. The purpose of programs assisted under this part is to—

[(1) enhance the basic educational skills of youth;

[(2) encourage school completion, or enrollment in supplementary or alternative school programs; and

[(3) provide eligible youth with exposure to the world of work.]

STATEMENT OF PURPOSE

SEC. 251. The purpose of the programs assisted under this part is to—

(1) improve the long-term employability of youth;

(2) enhance the educational and occupational skills of youth;

(3) encourage school completion or enrollment in alternative school programs;

(4) increase the employment and earnings of youth;

(5) reduce welfare dependency; and

(6) assist youth in addressing problems which impair their ability to make successful transitions from school to work, apprenticeship, the military or postsecondary education and training.

[AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION

[SEC. 252. (a) From the funds appropriated under section 3(b), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were availble to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made.

[(b) The remainder of sums appropriated pursuant to section 3(b) shall be allotted among States in accordance with section 201(b) and allocated among service delivery areas within States in accordance with section 202(a)(2), (3), and (4).]

ALLOTMENT

SEC. 252. (a) Not more than one quarter of one percent of the amount appropriated pursuant to section 3(b) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.

(b) Of the amount available to carry out the provisions of this part that remains after the allotment is made under subsection (a), the Secretary shall reserve not more than 5 percent to carry out part C of this title.

(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 91 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. Each State shall allocate such funds to the service delivery areas in such amounts as determined by the Secretary pursuant to paragraph (2). The remaining 9 percent shall be allotted in accordance with subsection (d).

(2) Subject to the provisions of paragraph (3), of the amount allotted to service delivery areas under this subsection for each fiscal year—

(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each service delivery area as compared to the total number of economically disadvantaged youth in all service delivery areas in all States;

(B) 25 percent shall be allotted on the basis of the relative concentration of the economically disadvantaged youth within each service delivery area as compared to the total concentration of economically disadvantaged youth in all service delivery areas in all States; and

(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals who reside in each service delivery area compared to the total number of unemployed individuals in all service delivery areas in all States.

(3)(A) No service delivery area shall be allocated an amount equal to less than 90 percent, or more than 115 percent, of its allocation percentage for the preceding fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(b) of the Act are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

(B)(i) Except as otherwise provided in this subparagraph, the allocation percentrage for a service delivery area for a fiscal year is the percentage which the service delivery area received of the total amount allocated under this part for such fiscal year to all service delivery areas in all States.

(ii) The allocation percentage for fiscal year 1990 is the percent of the funds allocated for youth programs (as determined by the Secretary) under title II to the service delivery area during the preceding fiscal year.

(C) Notwithstanding paragraph (1), the total allocation for all service delivery areas within any one State for any fiscal year shall

not be less than one-quarter of one percent of the total amounts available for allotment under subsection (c) for such fiscal year.

(D) The private industry council in each service delivery area may reserve not more than 10 percent of the funds received under this part for experimental programming for groups with special needs and other hard-to-serve individuals. The Comptroller General shall conduct a study to review and assess such experimental programs and post program results and shall submit the findings to the appropriate committees of Congress before September 30, 1994.

(4)(A) For the purposes of this section—

(i) the term "economically disadvantaged youth" means an individual who is aged 16 through 21 and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (I) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services or (II) 70 percent of the lower living standard income level;

(ii) the term "concentration" means the number which represents the number of economically disadvantaged youth in excess of 10 percent of the youth population in the service delivery area.

(B) For the purposes of subparagraph (A), and to the extent practical, the term "economically disadvantaged youth" excludes college students and members of the armed services.

(d)(1) Subject to the provisions of section 453(e)(5), the remainder available for allotment under this part shall be allotted to the States for the activities described in paragraph (2). The allotment to each State shall be based upon the relative amount of funds available to service delivery areas within such State under subsection (c) as compared to the total amount of funds available to all service delivery areas in all States under subsection (c).

(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

(A) four-ninths shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122 of the Act;

(B) two-ninths shall be available for technical assistance in developing the overall capability of the job training system within the State, including the development and training of State and local service delivery area staff, service provider staff, the development of information and exemplary program activities, and the conduct of research and other activities designed to improve the level degree, and goals of programs conducted under this Act; and

(C) three-ninths shall be available to provide incentive grants authorized under section 106(b)(7).

(e)(1) For fiscal years 1990, 1991, and 1992 the total of the amounts allotted to any State under subsections (c) and (d) and available to such State under subsection (b) shall not be less than 100 percent of the amount allotted to such State to carry out youth programs under title II in fiscal year 1989.

(2) The Secretary shall ratably adjust the amounts allotted under subsections (c) and (d) and available under subsection (b) to carry

out the requirements of paragraph (1). In making such adjustments, the requirements of subsection (c)(3)(A) shall remain applicable.

[USE OF FUNDS

[SEC. 253. (a) Funds available under this part may be used for—

[(1) basic and remedial education, institutional and on-the-job training, work experience programs, employment counseling, occupational training preparations for work, outreach and enrollment activities, employability assessment, job referral and placement, job search and job club activities, and any other employment or job training activity designed to give employment to eligible individuals or prepare them for, and place them in, employment; and

[(2) supportive services necessary to enable such individuals to participate in the program.

[(b) A service delivery area shall assess the reading and mathematics skill levels of eligible participants in programs funded by this part and shall expend funds (from this act or otherwise available to the service delivery area, or both) for basic and remedial education as described in the job training plan under section 104.]

ELIGIBILITY FOR SERVICES

SEC. 253. (a)(1) An individual who is in school shall be eligible to participate in the program under this part only if such individual is—

(A) aged 16 through 21;

(B) except as provided in paragraph (3), economically disadvantaged, is receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965, or is receiving a free lunch under the National School Lunch Act; and

(C) included in one or more of the following categories:

(i) basic skills deficient;

(ii) poor academic and school attendance records as measured by performing at a grade level below the grade level appropriate to such individual's age;

(iii) pregnant or parenting;

(iv) exhibiting pattern of disruptive behavior or disciplinary problems;

(v) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

(vi) individual with a disability;

(vii) limited English proficient; and

(viii) offender.

(2) an individual who is out of school shall be eligible to participate in the program under this part only if such individual is—

(A) aged 16 through 21;

(B) except as provided in paragraph (3), economically disadvantaged; and

(C) included in one or more of the following categories:

(i) basic skills deficient;

(ii) school dropout subject to the conditions described in section 253(c);

(iii) pregnant or parenting;

(iv) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

(v) individual with a disability;

(vi) limited English proficient; and

(vii) offender.

(3)(A) Not more than 10 percent of all participants in the programs assisted under this part in each service delivery area may be individuals who do not meet the requirements of paragraph (1)(B) or (2)(B) if such individuals are aged 16 through 21 and experience 2 or more barriers to employment. Such barriers may include, but are not limited to the categories described in paragraph (1)(C) or (2)(C), or categories such as individuals who are alcoholics or addicts.

(4) Not less than 50 percent of the participants in the program assisted under this part in each service delivery area shall be out-of-school individuals who meet the requirements of paragraph (2) or (3).

(b) Eligible individuals aged 14 or 15, or aged 22 through 24, shall, if appropriate, and set forth in the job training plan, be eligible for youth programs under this part.

(c) In order to participate in a program assisted under this part, an individual who is under the age of 18 and a school dropout shall—

(A) re-enroll in and attend school;

(B) enroll in and attend an alternative high school;

(C) enroll in and attend an alternative course of study approved by the local educational agency;

(D) enroll in and attend a high school equivalency program; or

(E) enroll in and attend a community-based learning center with programs designed to result in the attainment of a GED or a high school diploma.

(d) A service delivery area may transfer not more than 10 percent of the funds provided under this part to part A of this title for adult programs if a description of such transfer is included in the job training plan pursuant to section 104 and the Governor approves the transfer pursuant to section 105.

[LIMITATIONS

[SEC. 254. (a) Programs under this part shall be conducted during the summer months except that a service delivery area may, within the jurisdiction of any local educational agency that operates its schools on a year-round, full-time basis, offer the programs under this part to participants during a vacation period treated as the equivalent of a summer vacation.

[(b) Except as provided in subsection (c), individuals eligible under this part shall be economically disadvantaged youth.

[(c) Eligible individuals aged 14 or 15 shall, if appropriate and set forth in the job training plan, be eligible for summer youth programs under this part.]

PROGRAM DESIGN

SEC. 254. (a) The program under this part shall be conducted on a year-round basis.

(b) The program under this part shall include—

(1) an assessment of each participant's skill levels and service needs including such factors as basic skills, occupational skills, prior work experience, and supportive service needs, provided that a new assessment of a participant is not required where the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program;

(2) development of service strategies which shall identify achievement objectives, appropraite employment goals, and the appropriate sequence of services for participants taking into account the assessments conducted pursuant to paragraph (1);

(3) a review of each participant's progress in meeting the objectives of the service strategy; and

(4) the following services, to be available to a participant where the assessment and service strategy indicate such services are appropriate:

(A) basic skills training;
(B) occupational skills training;
(C) pre-employment and work maturity skills training;
(D) work experience combined with skills training; and
(E) supportive services.

(c) Services which may be made available to participants under this part may include, but need not be limited to—

(1) outreach;
(2) tutoring;
(3) study skills training;
(4) instruction for high school completion or certificate of high school equivalency;
(5) services provided by alternative high schools;
(6) mentoring;
(7) individual and group counseling;
(8) drug and alcohol abuse counseling and referral;
(9) cash incentives and bonuses based on a participant's attendance and performance in the program;
(10) compensation in the form of work experience wages;
(11) services encouraging parental, spousal and other significant adult involvement in the participant's program;
(12) on-the-job training;
(13) limited internships in the private sector;
(14) school-to-work transition services;
(15) school-to-post secondary education transition services;
(16) school-to-apprenticeship transition services;
(17) training or education that is combined with meaningful and constructive community and youth service opportunities in public agencies, non-profit agencies or other appropriate agencies, institutions and organizations;
(18) job search, job search skills training and job clubs; and
(19) needs-based payments.

(d)(1) In developing service strategies and designing services for the program under this part, the service delivery area and private industry council shall take into consideration exemplary program strategies and practices.

(2) Pre-employment and work maturity skills training authorized by this part shall be accompanied by either work experience or other additional services designed to increase a participant's basic or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

(3) Work experience, job search, job search skills training, and job clubs activities authorized by this part shall be accompanied by additional services designed to increase a participant's basic education or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

(4) Needs-based payments authorized under this part shall be limited to payments necessary to participate in the program in accordance with a locally developed formula or procedure.

(5) Counseling and supportive services authorized under this part may be provided to a participant for a period of up to one year after the completion of the program.

(e)(1) In addition to the services described under subsections (b), (c), and (d), service delivery areas may elect to use funds available under this part to conduct a summer jobs program component consistent with the following limitations:

(A) the participating youth service strategy indicates such summer work experience is appropriate; and

(B) the summer work experience is accompanied by additional education or training in a year-round program.

(2) The additional education or training provided for in subparagraph (B) may be provided by—

(A) the year-round program under this part;

(B) the Jobs Corps;

(C) the JOBS program;

(D) alternative or secondary schools; or

(E) other education and training programs.

[APPLICABLE PROVISIONS

[SEC. 255. (a) Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this part as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II.

[(b) In accordance with the provisions of subsection (a), each service delivery area shall establish written program goals and objectives which shall be used for evaluating the effectiveness of programs conducted under this part. Such goals and objectives may include—

[(1) improvement in school retention and completion;

[(2) improvement in academic performance, including mathematics and reading comprehension;

[(3) improvement in employability skills; and

[(4) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol prevention and treatment programs.]

COOPERATIVE ARRANGEMENTS

SEC. 255. (a) FORMAL AGREEMENTS.—In conducting a program under this part, service delivery areas shall establish cooperative agreements with the appropriate educational agencies responsible for service to participants. Such cooperative arrangements shall include—

(1) formal agreements with educational agencies that will identify—

(A) the procedures for referring and serving in-school youth;

(B) the methods of assessment of in-school youth to be used by the educational agency; and

(C) procedures for notifying the program when a youth drops out of the school system;

(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by educational agencies to out-of-school youth; and

(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems and needs, including, where appropriate, interim assessment results.

(b) COOPERATIVE ARRANGEMENTS.—In conducting the program under this part, the service delivery area shall establish appropriate cooperative arrangements with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

(1) part B of title IV of this Act (the Job Corps);

(2) parts A through D of chapter 1 of the Elementary and Secondary Education Act of 1965;

(3) the Carl D. Perkins Vocational Education Act;

(4) the Education of the Handicapped Act;

(5) the Wagner-Peyser Act;

(6) part F of title IV of the Social Security Act (JOBS);

(7) the Rehabilitation Act of 1973;

(8) the Food Stamp Act;

(9) the National Apprenticeship Act; and

(10) the Stewart B. McKinney Homeless Assistance Act.

(c) OTHER APPROPRIATE ARRANGEMENTS.—In addition to the cooperative arrangements required under subsections (a) and (b), service delivery areas shall establish other appropriate arrangements to enhance the provision of services under this part. Such arrangements may be established with state and local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and

other training, education, employment and social service programs, including programs conducted under part A of title II.

PART C—STATE INNOVATION AND COORDINATION GRANTS

STATEMENT OF PURPOSE

SEC. 261. It is the purpose of this part to increase the State capacity to develop comprehensive and coordinated education, training, and employment goals and strategies for youths and adults at risk of chronic unemployment and welfare dependency.

PROGRAM AUTHORIZED

SEC. 262. (a) IN GENERAL.—(1) The Secretary is authorized to make grants to States to pay the Federal share of the cost of activities described in the State innovation and coordination plan submitted pursuant to section 264.

(2) The Secretary may award grants for a period of 1 year. Such grant may be renewed for the 2 succeeding fiscal years if the Secretary determines that the conditions of the grant have been met during the previous fiscal year.

(b) AWARD BASIS.—Upon approval of the State innovation and coordination plan, the Secretary shall award grants on the basis of the relative amount of funds available to service delivery areas within the State under parts A and B of title II as compared to the amount of funds available to all service delivery areas in all States under parts A and B of title II.

(c) REALLOTMENT.—In any fiscal year in which an amount of funds available under this part remains available due to a State or States not receiving approval of a State innovation and coordination plan, the amount available shall be reallotted as determined by the Secretary to States on the basis of the quality of the State innovation and coordination plan submitted pursuant to section 264.

USE OF FUNDS

SEC. 263. (a) IN GENERAL.—The States may use funds provided under this part to—

(1) establish statewide policies and action strategies to address critical human resource develoment goas for at-risk populations;

(2) encourage the use of cooperative and innovative arrangements between various State education, employment, welfare, and social service agencies to address the multi-faceted problems of at-risk youth and adults;

(3) encourage innovations in program implementation that promote the comprehensive and coordinated delivery of education, training, and employment services for youth and adults at risk of chronic unemployment and welfare dependency; and

(4) facilitate the development of public-private collaboration to assure private sector employment and continued learning opportunities for economically disadvantaged adults and youth.

(b) AUTHORIZATION.—The secretary is authorized to use the sums available pursuant to sections 202(b) and 252(b) to make grants to states under this part.

(c) ***Limitation on Federal Share.****—Of the Federal share of funds available to a State under this part in each fiscal year—*

(1) not more than 15 percent shall be expended on administrative activities.

(2) not more than 35 percent shall be expended on—

(A) strategic planning, coordination and other activities designed to facilitate the coordination of the Job Training Partnership Act services with education and other human resource programs,

(B) improving the Job Training Partnership Act management information systems, and

(C) strengthening the overall infrastructure of the State employment and training programs; and

(3) not less than 50 percent shall be expended on training, education, and employment services.

STATE INNOVATION AND COORDINATION PLAN

Sec. 264. All States shall be eligible to apply for grants under this part. Each State desiring a grant under this part shall submit a State innovation and coordination plan to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary reasonably requires. Each State innovation and coordination plan shall—

(1) describe the human resource goals to be achieved by the State and explain how such goals complement or are distinct from the goals of existing programs. Such goals may include—

(A) reducing the school dropout rate;

(B) raising the achievement levels of youth;

(C) reducing illiteracy;

(D) reducing welfare rates; and

(E) guaranteeing a job with decent wages, through agreements with private employers, to every individual completing an education and job training program;

(2) describe specific activities designed to achieve the goals set forth in paragraph (1) including activities such as statewide school-based comprehensive dropout prevention activities, school-to-work services, apprenticeship services, postsecondary education transition services, or statewise integrated services to offenders;

(3) identify measurable interim benchmarks toward achieving the goals described in paragraph (1);

(4) describe how the activities and services for eligible participants will be provided through cooperative arangements with State and local education and employment agencies, welfare agencies or administrative entities in service delivery areas;

(5) describe how the activities and services to achieve the goals set forth in paragraph (1) will be coordinated with other Federal programs, such as—

(A) the Carl D. Perkins Vocational Education Act;

(B) the Adult Education Act;

(C) the Wagner-Peyser Act; and

(D) the Family Support Act; and

(6) describe the State and the local public and private resources to be committed to achieving the goals identified in paragraph (1).

REVIEW AND APPROVAL OF STATE INNOVATION AND COORDINATION PLAN

Sec 265. The Secretary shall review and approve State innovation and coordination plans for the purposes of awarding grants under this part, taking into consideration—

(1) the extent to which goals, service strategies and accountability mechanisms will address the problems identified;

(2) the extent of the resources to be committed from other State and local public and private sources;

(3) evidence of a commitment to the project by the Governor, the chief executives of State education agencies, State welfar agencies, agencies administering this Act, other State agencies, and representatives of local communities, including local elected officials, private industry councils, schools, welfare agencies and community-based groups as appropriate;

(4) specific plans for coordinating programs funded under this Act, with other education, employment and training programs, JOBS, the local employment service, and other human resource development programs; and

(5) the amount of funds which will be used for administrative costs and the extent to which such expenditures will contribute to administrative efficiencies and service improvement.

PAYMENTS; FEDERAL SHARE

Sec. 266. (a) Payments.—The Secretary shall pay to each State the Federal share of the cost of the activities described in the application.

(b) Federal Share.—(1) The Federal share shall be 80 percent.

(2) The portion of the costs of the program conducted pursuant to this part which is not paid by a grant received under this part shall not be paid from any Federal funds.

PROGRAM REVIEW AND OVERSIGHT

Sec. 267. (a) In General.—The Secretary is authorized to monitor the progress of all recipients of State Innovation and Coordination Grants.

(b) Oversight.—The State Job Training Coordinating Council shall be responsible for overseeing the activities of the State in the performance of activities conducted pursuant to the provisions of this part.

REPORTS

Sec. 268. (a) In General.—The Secretary shall establish requirements for State reporting on the progress made in accomplishing the goals specified in each State's innovation and coordination plan.

(b) Records.—Each State receiving a grant under this part shall keep records that are sufficient to permit the preparation of reports on the progress made in achieving the goals of the State as set for this in section 264(1) of this part. The State Job Training Coordinat-

ing Council shall semiannually report to the Secretary on the progress made in achieving the goals of the State as set forth in section 264(2) of this part.

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS

DEFINITIONS

*   *   *   *   *   *   *

USE OF FUNDS; SERVICES TO BE PROVIDED

Sec. 314. (a) In General.—Funds allotted under section 302 may be used—

(1) to provide rapid response assistance in accordance with subsection (b);

(2) to deliver, coordinate, and integrate basic readjustment services and support services in accordance with subsection (c);

(3) to provide retraining services in accordance with subsection (d);

(4) to provide needs-related payments in accordance with subsection (e); and

(5) to provide for coordination with the unemployment compensation system in accordance with subsection (f).

(b) Rapid Response Assistance.—(1) The dislocated worker unit required by section 311(b)(2) shall include specialists who may use funds available under this title—

(A) to establish on-site contact with employer and employee reprsentatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(i) provide information on and facilitate access to available public programs and services; and

(ii) provide emergency assistance adapted to the particular closure or layoff;

(B) to promote the formation of labor-management committees; by providing—

(i) immediate assistance in the establishment of the labor-management committee, including providing immediate financial assistance to cover the start-up costs of the committee;

(ii) a list of individuals from which the chairperson of the committee may be selected;

(iii) technical advice as well as information on sources of assistance, and liaison with other public and private services and programs; and

(iv) assistance in the selection of worker representatives in the event no union is present;

(C) to collect information related to—

(i) economic dislocation (including potential closings or layoffs); and

(ii) all available resources within the State for displaced workers, which information shall be made available on a regular basis to the Governor and the State job training coordinating council to assist in providing an adequate information base for effective program management, review, and evaluation;

(D) to provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocations;

(E) to disseminate information throughout the State on the availability of services and activities carried out by the dislocated worker unit or office; and

(F) to assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(2) In a situation involving an impending permanent closure or substantial layoff, a State may provide funds, where other public or private resources are not expeditiously available, for a preliminary assessment of the advisability of conducting a comprehensive study exploring the feasibility of having a company or group, including the workers, purchase the plant and continue it in operation.

(c) Basic Readjustment Services.—Funds allotted under section 302 may be used to provide basic readjustment services to eligible dislocated workers. Subject to limitations set forth in subsection (e) and section 315(a), the services may include (but are not limited to)—

(1) development of individual readjustment plans for participants in programs under this title;

(2) outreach and intake;

(3) early readjustment assistance;

(4) job or career counseling;

(5) testing;

(6) orientation;

(7) assessment, including evaluation of educational attainment and participant interests and aptitudes;

(8) determination of occupational skills;

(9) provision of future world-of-work and occupational information;

(10) job placement assistance;

(11) labor market information;

(12) job clubs;

(13) job search;

(14) job development;

(15) supportive services, including child care, commuting assistance, and financial and personal counseling which shall terminate not late than the 90th day after the participant has completed other services under this part, except that counseling necessary to assist participants to retain employment shall terminate not later than 6 months following the completion of training;

(16) prelayoff assistance;

(17) relocation assistance; and

(18) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities;

(d) RETRAINING SERVICES.—(1) Funds allotted under section 302 may be used to provide training services under this part to eligible dislocated workers. Such services may include (but are not limited to)—

(A) classroom training;
(B) occupational skill training;
(C) on-the-job training;
(D) out-of-area job search;
(E) relocation;
(F) basic and remedial education;
(G) literacy and English for non-English speakers training;
(H) entrepreneurial training; and
(I) other appropriate training activities directly related to appropriate employment opportunities in the substate area;

(2) No funds under this part may be expended to provide wages for public service employment.

(e) NEEDS-RELATED PAYMENTS.—(1) Funds allocated to a substate grantee under section 302(d) may be used pursuant to a substate plan under section 313 to provide needs-related payments to an eligible dislocated worker who does not qualify or has ceased to qualify for unemployment compensation, in order to enable such worker to participate in training or education programs under this title. To be eligible for such payments, an eligible dislocated worker who has ceased to qualify for unemployment compensation must have been enrolled in training by the end of the 13th week of the worker's initial unemployment compensation benefit period, or, if later, the end of the 8th week after an employee is informed that a short-term layoff will in fact exceed 6 months.

(2) The level of needs-related payments shall be made available at a level not greater that the highest of—

(A) the applicable level of unemployment compensation; or
(B) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

(f)*(1)* COORDINATION WITH UNEMPLOYMENT COMPENSATION.—Funds allocated to a State under section 302 may be used for coordination of worker readjustment programs and the unemployment compensation system, consistent with the limitation on administrative expenses in section 315. Each State shall be responsible for coordinating the unemployment compensation system and worker readjustment programs within such State.

(2) An eligible dislocated worker participating in training (except for on-the-job training) pursuant to this title shall be deemd to be in training with the approval of the State agency for purposes of section 3304(a)(8) of the Internal Revenue Code or 1986.

TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

NATIVE AMERICAN PROGRAMS

SEC. 401. (a) The Congress finds that (1) serious unemployment and economic disadvantages exist among members of Indian, Alaskan Native, *American Samoan*, and Hawaiian Native communities; (2) there is a compelling need for the establishment of comprehensive training and employment programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvantages among individual members of those communities and to the advancement of economic and social development in the communities consistent with their goals and lifestyles.

(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of the individuals to be served by the provisions of this section, (1) such programs shall be administered at the national level; (2) such programs shall be available to federally recognized Indian tribes, bands, and groups and to other groups and individuals of Native American descent *and to American Samoans residing in the United States*; and (3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

(c)(1)(A) In carrying out responsibilities under this section, the Secretary shall, wherever possible, utilize Indian tribes, bands, or groups on Federal or State reservations, Oklahoma Indians, and including for the purpose of this Act, Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act, having a governing body for the provision of employment and training services under this section. When the Secretary determines that such tribe, band, or group has demonstrated the capability to effectively administer a comprehensive employment and training program, the Secretary shall require such tribe, band, or group to submit a comprehensive plan meeting such requirements as the Secretary prescribes.

(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives *and American Samoans residing in the United States* through such organizations *and State agencies* as the Secretary determines will best meet their needs.

(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with organizations (meeting requirements prescribed by the Secretary) serving nonreservation Native Americans for programs and projects designed to meet the needs of such Native Americans for employment and training and related services.

(d) Whenever the Secretary determines not to utilize Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrangements for the provision of such services with organizations which meet with the approval of the tribes, bands, or groups to be served.

(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of Native American *and American Samoan* employment and training programs authorized under this Act. *Such procedures and machinery shall include—*

(1) the designation by the Secretary of a single organizational unit which shall have the principal responsibility for the development, coordination, and oversight of all policies (except audit, procurement and debt collection policies) under which the Secretary regulates or influences the operation of Native American programs under this section; and

(2) a special effort to recruit Indians, Native Alaskans, American Samoans and Native Hawaiians for employment in the organizational unit identified in paragraph (1).

(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section including but not limited to such programs and activities carried out by recipients under other provisions of this Act.

(g) No provision of this section shall abrogate in any way the trust responsibilities of the Federal Government to Native American bands, tribes, or groups.

(h)(1) The Secretary shall, after consultation with [representatives of Indians and other Native Americans,] *the Advisory Council and Native American Job Training Program and American Samoans,* prescribe such rules, regulations, and performance standards relating to Native America *and American Samoan* programs under this section as may be required to meet the special circumstances under which such programs operate.

(2) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

(i) The Secretary shall provide technical assistance as necessary to tribes, bands, and groups eligible for assistance under this section.

[(j) For the purpose of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.3 percent of the amount available for part A of title II of this Act for such fiscal year.]

(j)(1) For the purposes of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.1 percent of the total amount of funds appropriated to carry out the provisions of parts A and B of title II of this Act for such fiscal year.

(2) Of the amounts reserved under paragraph (1), 18 percent shall be provided to section 401 entities which were eligible for direct funding under part B of title II (the Summer Youth Employment and Training Programs) immediately prior to the enactment of this Act. Such entities shall use such funds to operate special programs for economically disadvantaged Native American youth between the ages of 14 and 21.

(3)(A) The Secretary shall establish an Advisory Council on Native American Job Training Programs (hereafter in this section referred to as the 'Council') which shall consist of not less than 15 Indians, Native Alaskans, American Samoans, or Native Hawaiians appointed by the Secretary from among individuals nominated by Indian tribes or Indian, Native Alaskan, American Samoan, or Native Hawaiian organizations. The Council's membership shall represent diverse geographic areas and include representatives of

tribal governments and of nonreservation Native American organizations.

(B) The Council shall be chaired by an Indian, Native Alaskan, or Native Hawaiian Council member elected by a majority of the Council's membership and shall meet not less than twice each Program Year. Each Council member may serve for a term of 2 years, and may be reappointed.

(C) The Council shall—

(i) solicit the views of a wide variety of tribes and Native American and American Samoan groups, including those operating employment and training programs funded under this section, on issues affecting the operation and administration of such programs;

(ii) advise the Secretary with respect to all matters concerning the implementation of programs under this section and other programs providing services to Native American youth and adults under this Act;

(iii) advise the Secretary in the design of all aspects of the system of performance standards developed under this section;

(iv) advise the Secretary with respect to services obtained by the Department through contracts or arrangements with non-Federal agencies or entities which involve the provision of technical assistance to, or evaluation of, the program authorized by this section;

(v) assess the effectiveness of Native American job training programs and make recommendations with respect to the improvement of such programs;

(vi) advise the Secretary with regard to the recruitment of, identification of, and selection criteria for, candidates for the position of chief of the organizational unit described in subsection (e)(1) whenever a vacancy in such position occurs; and

(vii) submit a report to the Congress no later than January 1 of each year on the progress of Native American job training programs and recommendations for improving their effectiveness.

(D) From amounts appropriated to carry out the provisions of this section, the Secretary shall make available to the Council such sums as may be necessary to carry out the functions of the Council.

MIGRANT AND SEASONAL FARMWORKER PROGRAMS

SEC. 402. (a) The Congress finds and declares that—

(1) chronic seasonal unemployment and underemployment in the agricultural industry, aggravated by continual advancements in technology and mechanization resulting in displacement, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

(2) because of the special nature of farmworker employment and training problems, such programs shall be centrally administered at the national level.

(b) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal employment and training programs authorized under this Act.

(c)(1) The Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers. In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement policies.

(2) The Secretary may approve the designation of grantees under this section for a period of two years.

(3) Programs and activities supported under this section, including those carried out under other provisions of this Act, shall enable farmworkers and their dependents to obtain or retain employment, to participate in other program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, and to participate in activities leading to stabilization in agricultural employment, and shall include related assistance and supportive services.

(4) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

(5) No programs and activities supported under this section shall preclude assistance to farmworkers under any other provision of this Act.

(d) In administering programs under this section, the Secretary shall consult with appropriate State and local officials.

(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal farmworker's employment and training programs authorized under this Act.

[(f) For the purpose of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.2 percent of the amount available for part A of title II of this Act for such fiscal year.**]**

(f) For the purposes of carrying out the provisions of this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 2.3 percent of the total amount of funds appropriated to carry out the provisions of parts A and B of title II of this Act for such fiscal year.

* * * * * * *

INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. 423. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age 14 but not attained age 22 at the time of enrollment, except that such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any [handicapped individual;] *individual with a disability;*

(2) is economically disadvantaged or is a member of a family which is economically disadvantaged, and who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;

(3) is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair prospects for successful participation in other programs providing needed training, education, or assistance;

(4) is determined, after careful screening as provided for in sections 424 and 425 to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

(5) meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

* * * * * * *

JOB CORPS CENTERS

SEC. 427. (a)(1) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 111(a)(1) of the Carl D. Perkins Vocational Education Act which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers may, subject to paragraph (2), be residential or nonresidential in character, or both, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semiskilled employment.

(2) In any year, not more than [10] *20* percent of the individuals enrolled in the Job Corps may be nonresidential participants.

(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify[.]*, provided that the Secretary shall not reduce the number of residential participants in Job Corps programs under this part during any program year below the number of residential participants during program year 1989, in order to increase the number of individuals who are nonresidential participants in the Job Corps.*

* * * * * * *

Part D—National Activities

[MULTISTATE PROGRAMS

[SEC. 451. (a) Funds available to carry out this section shall be used for job training programs or services (as authorized under any other provision of this Act) which are most appropriately administered at the national level and which are operated in more than one State.

[(b) Programs which are most appropriately administered at the national level include programs such as—

[(1) programs addressed to industry-wide skill shortages;

[(2) programs designed to train workers for employment opportunities located in another State;

[(3) regional or nationwide efforts to develop a labor force with skills that promote the use of renewable energy technologies, energy conservation, and the weatherization of homes occupied by low-income families;

[(4) programs designed to develop information networks among local programs with similar objectives under this Act; and

[(5) programs which require technical expertise available at the national level and which serve specialized needs of particular client groups, including offenders, individuals of limited English language proficiency, handicapped individuals, women, single parents, displaced homemakers, youth, older workers, individuals who lack education credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance.]

NATIONAL PARTNERSHIP AND SPECIAL TRAINING PROGRAMS

SEC. 451. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

(1) improve access to employment and training opportunities for those with special needs,

(2) help alleviate skill shortages and enhance the competitiveness of the labor force,

(3) meet special training needs that are best addressed on a multistate or industry-wide basis, and

(4) encourage the participation and support of all segments of society to futher the goals of this Act.

(b) PROGRAM AUTHORIZED.—*The Secretary is authorized to establish a system of special grant programs that are most appropriately administered at the national level.*

(c) PROGRAMS.—*Programs that are most appropriately administered at the national level include—*

(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training programs at the national, State, and local level, such as industry and labor associations, public interest groups, and community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training;

(2) programs that—

(A) address industry-wide skill shortages,

(B) meet training needs that are best addressed on a multistate basis, and

(C) further the goals of increasing the competitiveness of the United States labor force; and

(3) programs which require technical expertise available at the national level to serve specialized needs of particular client groups, including at-risk youth, offenders, individuals of limited English language proficiency, individuals with disabilities, women, immigrants, single parents, substance abusers, displaced homemakers, youth, older workers, veterans, individuals who lack education credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance.

[RESEARCH AND DEMONSTRATION

[SEC. 452. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of employment and training research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The program under this section may include studies concerning the development or improvement of Federal, State, local, and privately supported employment and training programs; labor market processes and outcomes; policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals; productivity of labor; improved means of forecasting and using forecasts of labor supply and demand at the national and subnational levels; methods of improving the wages and employment opportunities of low-skilled and disadvantaged workers; measuring and developing policies to eliminate worker shortages; and easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

[(b) The Secretary shall establish a program of experimental, developmental, and demonstration projects, through grants or contracts, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting employment and training problems. Research activities may include studies, experiments, demonstrations, and pilot projects in such areas as easing the transition from school to work, assessing the changing demographics of the American work-force and addressing the short-term and long-term impact of the changes, increasing employment of skilled workers critical to defense readiness, and, subject to the last sentence of this subsection, projects developed in conjunction with the Secretary of Defense to meet civilian manpower needs on military installations and in the private sector, and eliminating artificial barriers to employment. The Secretary may pay not to exceed 60 percent of the costs of projects developed in conjunction with the Secretary of Defense described in the preceding sentence, and the contributions of the Department of Defense may be in cash or in kind, fairly evaluated, including plant, equipment, or services.]

RESEARCH, DEMONSTRATION, AND EVALUATION

SEC. 452. (a) IN GENERAL.—To assist the Nation in expanding work opportunities and ensuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of training and employment research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and trainig problems. The program under this section may include studies concerning—

(1) the development or improvement of Federal, State, local, and privately supported employment and training programs;

(2) labor market process and outcomes, including improving workplace literacy;

(3) policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals;

(4) productivity of labor;

(5) improved means of using projections of labor supply and demand, including occupational and skill requirements and areas of labor shortages at the national and subnational levels;

(6) methods of improving the wages and employment opportunities of low-skilled disavantaged and dislocated workers, and workers with obsolete skills;

(7) addressing the needs of at-risk populations, such as youth, homeless individuals, and other dependent populations, older workers, and other groups with multiple barriers to employment;

(8) developing information on immigration, international trade and competition, technological change and labor shortages; and

(9) easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

(b) PILOTS AND DEMONSTRATIONS.—(1) The Secretary shall establish a program of pilot and demonstration programs, through grants or contracts, for the purpose of developing and improving techniques

and demonstrating the effectiveness of specialized methods in meeting employment and training problems. These programs may include projects in such areas as—

(A) school-to-work transition,

(B) new methods of imparting literacy skills and basic education,

(C) new training techniques (including projects undertaken with the private sector),

(D) methods to eliminate artificial barriers to employment,

(E) approaches that foster participation of groups which encounter special problems in the labor market (such as displaced homemakers, teen parents, welfare recipients), and

(F) processes that demonstrate effective methods for alleviating the adverse effects of dislocation and plant closings on workers and their communities.

(2) Demonstration projects shall include a formal, rigorous evaluation component.

(3) No pilot project under this subsection shall be financially assisted under this Act for a period of more than 3 years.

(c) EVALUATION.—(1) The Secretary shall provide for the continuing evaluation of programs conducted under this Act, including the cost effectiveness of the program in achieving the purpsoes of the Act. The Secretary may also conduct evaluations of other federally funded employment-related activities including programs administered under—

(A) the Wagner-Peyser Act,

(B) the National Apprenticeship Act,

(C) the Older Americans Act,

(D) chapter 2 of title II of the Trade Act of 1974, and

(E) the Unemployment Insurance program under the Social Security Act.

Evaluations conducted pursuant to this paragraph shall utilize sound statistical methods and techniques of the behavioral and social sciences, including random assignment methodologies when feasible. Such studies may include cost-benefit analysis of programs, their impact on communities and participants, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by various programs. The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to the statutory goals, the performance standards established by the Secretary, and the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, and improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase total employment over what total employment would have been in the absence of such programs.

(2) The Secretary shall evaluate the impact of title II programs as amended by the Job Training Partnership Act Amendments of 1989 on participant employment, earnings, and welfare dependency in multiple sites using the random assignment of individuals to groups receiving services under programs authorized under the Job Training Partnership Act Amendments of 1989 or to groups not receiving such services.

[PILOT PROJECTS

[SEC. 453. (a)(1) From funds made available under this part, the Secretary may provide financial assistance for pilot projects which meet the employment-related needs of persons including the handicapped and displaced homemakers who face particular disadvantages in specific and general labor markets or occupations and other persons whom the Secretary determines require special assistance, and projects designed to address skill shortages that affect other critical national objectives, including national security.

[(2) From funds made available under this part, the Secretary may provide financial assistance for pilot projects for the training of individuals who are threatened with loss of their jobs due to technological changes, international economic policies or, general economic conditions.

[(b) Each pilot project assisted under this section shall be designed to assist in eliminating artificial and other employment barriers faced by such persons.

[(c) No project under this section shall be financially assisted for more than three years under this Act.

[(d) In selecting recipients under this section, the Secretary shall give special consideration to applications submitted by community-based organizations of demonstrated effectiveness, as well as to labor unions, and trade associations and their affiliates that address nationwide concerns through programs operating in more than one State.]

TRAINING AND TECHNICAL ASSISTANCE

SEC. 453. (a) IN GENERAL.—The Secretary shall develop and publish a strategic, multiyear national plan for the development and expansion of the capacity of the employment and training system to achieve the goals and objectives provided for under this Act. Such plan shall take into consideration projected investments by the Federal Government, States, and service delivery areas of funds provided under this Act for research, demonstration, pilot projects, evaluation, technical assistance, and training.

(b) TRAINING.—The Secretary shall provide, directly or thorugh grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel including job skills teachers. The Secretary shall provide appropriate technical assistance, including activities related to the development and attainment of performance goals, to programs assisted under this Act, and to other employment related programs administered by the Department of Labor, as the Secretary deems appropriate. Such training and technical assistance may utilize the training and technical assistance capabilities existing at the State and service delivery area level.

(c) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide staff training and technical assistance services to States or service delivery areas in order to improve their staff training and technical assistance capabilities.

(d) DISSEMINATION.—The Secretary shall disseminate materials and information gained from exemplary program experience and from research and demonstration activities which may be of use in

the innovation or improvement of other programs conducted pursuant to this Act or to related programs conducted under other employment related legislation administered by the Department of Labor.

(e) TRAINING INSTITUTES.—(1) The Secretary shall, before July 1, 1991, establish a network of regional training institutes, in order to strengthen the caliber of services provided through the various Federal, State, and local employment and training systems. To initiate and maintain the network, the Secretary shall, on a competitive basis, award grants or contracts to colleges and universities, private nonprofit organizations, community-based organizations or other organizations with specialized employment and training knowledge and expertise to establish not more than 5 regional training institutes. Each such regional training institute shall—

(A) provide appropriate training, technical assistance, professional development, and other activities which will—

(i) enhance the skills, knowledge, and expertise, of the personnel who staff employment and training delivery systems, including service providers, and

(ii) improve the quality of services provided through this Act and other Federal employment and training programs;

(B) prepare and disseminate training curricula and materials for employment and training professionals and support staff which focus on enhancing staff competencies and professionalism;

(C) disseminate innovative and successful models, materials, methods, and program information to foster professional growth among managers, service delivery providers, and administrators involved in the delivery of employment and training services;

(D) act as a clearinghouse to regularly identify, develop, and disseminate innovative materials which enhance the knowledge and quality of performance of employment and training personnel;

(E) facilitate effective communications and coordination among employment and training personnel;

(F) establish an institute advisory committee which shall be broadly representative of the employment and training systems and which shall assist in—

(i) establishing institute priorities,

(ii) evaluating institute performance, and enhancing the effectiveness and efficiency of institute operations.

(2) The regional training institutes established pursuant to paragraph (1) may charge appropriate tuition or fees to offset the costs of various institute training, materials acquisition, or other training-related costs.

(3) The Secretary shall provide guidance, technical assistance, and direction to the regional training institute network to ensure that regional training institutes respond to employment and training staff needs, furnish high quality training and materials, meet program objectives without duplication, and encourage the use of the latest technologies for training and program management.

(4) The Secretary shall consult with the Secretary of Education, as needed, to coordinate the activities of the regional network of train-

ing institutes with other relevant institutes, centers, laboratories, or clearinghouses.

(5) The Secretary shall reserve 5 percent of the amounts allotted to the States under sections 202(d)(2)(B) and 252(d)(2)(B) of this Act to carry out the provisions of this subsection.

COOPERATIVE LABOR MARKET INFORMATION PROGRAM

SEC. 462. (a) The Secretary shall develop and maintain for the Nation, State, and local areas, current employment data by occupation and industry, based on the occupational employment statistics program, including selected sample surveys, and projections by the Bureau of Labor Statistics of employment and openings by occupation.

(b) The Secretary shall maintain descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations.

(c) In carrying out the provisions of this section, the Secretary shall assure that—

(1) departmental data collecting and processing systems are consolidated to eliminate overlap and duplication;

(2) the criteria of chapter 35 of title 44, United States Code, are met; and

(3) standards of statistical reliability and national standardized definitions of employment, unemployment, and industrial and occupational definitions are used.

(d)(1) The Secretary is authorized to develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

(2) The Secretary is authorized to develop and maintain, on national, State, local, and other appropriate bases, household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

(3) The Secretary shall publish, at least annually, a report relating labor force status to earnings and income.

(e) The Secretary shall develop and maintain statistical data relating to permanent lay-offs and plant closings. The Secretary shall publish a report based upon such data, as soon as practicable, after the end of each calendar year. Among the data to be included are—

(1) the number of such closings;

(2) the number of workers displaced;

(3) the location of the affected facilities; and

(4) the types of industries involved.

(f)(1) The Secretary shall develop, in coordination with the Secretary of Agriculture, statistical data relating to permanent dislocation of farmers and ranchers due to farm and ranch failures. Among the data to be included are—

(A) the number of such farm and ranch failures;

(B) the nunber of farmers and ranchers displaced;

(C) the location of the affected farms and ranches;

(D) the types of farms and ranches involved; and

(E) the identification of farm family members, including spouses, and farm workers working the equivalent of a full-time job on the farm who are dislocated by such farm and ranch failures.

(2) The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Such report shall include a comparison of data contained therein with data currently used by the Bureau of Labor Statistics in determining the Nation's annual employment and unemployment rates and an analysis of whether farmers and ranchers are being adequately counted in such employment statistics. Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher, but on the surrounding community.

(g)(1) The Secretary is authorized to engage in research, demonstration, or other activities, including those which might be carried out by States, designed to determine the feasibility of various methods of organizing and making accessible nationwide, information on the quarterly earnings for all individuals for whom such information is collected by the States.

(2) The Secretary shall report to Congress concerning the costs and benefits of establishing and maintaining a national longitudinal data base utilizing unemployment insurance wage records. Such report shall also address the feasibility of establishing appropriate safeguards for maintaining the confidentiality of information and privacy of individuals.

* * * * * * *

NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

SEC. 464. (a)(1) Of the amounts available for this part for each fiscal year, not [more than $5,000,000 is authorized to be reserved] *less than $6,000,000 will be available* for the National Occupational Information Coordinating Committee (established pursuant to section 422 of the Carl D. Perkins Vocational Education Act).

(2) In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Defence for Manpower, Reserve Affairs and Logistics.

(3) Not less than 75 percent of the funds transferred by the Secretary to the National Occupational Information Coordinating Committee shall be used to support State occupational information coordinating committees and other organizational units designated under section 125 for carrying out State labor market information programs.

(b) In addition to its responsibilities under the Carl D. Perkins Vocational Education Act, the National Occupational Information Coordinating Committee shall—

(1) carry out the provisions of section 463;

(2) give special attention to the labor market information needs of youth and adults, including activities such as (A) as-

sisting and encouraging States to adopt methods of translating national occupational outlook information into State and local terms; (B) assisting and encouraging the development of State occupational information systems, including career information delivery systems and the provision of technical assistance for programs of on-line computer systems and other facilities to provide career information at sites such as local schools, public employment service offices, and job training programs authorized under this Act; (C) in cooperation with educational agencies and institutions, encouraging programs providing career information, counseling, and employment services for postsecondary youth; and (D) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth and adults in correctional institutions;

(3) provide training and technical assistance, and continuing support to State occupational information coordinating committees, in the development, maintenance, and use of occupational supply and demand information systems,with special emphasis on the use of cost efficient automated systems for delivering occupational information to planners and administrators of education and training programs and on improving the access of such planners and administrators to occupational information systems;

(4) publish at least annually a report on the status of occupational information capabilities at the State and national levels, which may include recommendations for improvement of occupational information production and dissemination capabilities;

(5) conduct research and demonstration projects designed to improve any aspect of occupational and career information systems;

(6) provide technical assistance for programs designed to encourage public and private employers to list all available job opportunities with occupational information and career counseling programs conducted by administrative entities and with local public employment service offices and to encourage cooperation and contact among such employers and such administrative entities and public employment service offices; and

(7) provide assistance to units of general local government and private industry councils to familiarize them with labor market information resources available to meet their needs.

(c) All funds available to the National Occupational Information Coordinating Committee under this Act, under section 422 of the Carl D. Perkins Vocational Education Act, and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

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PART H—REPLICATION OF SUCCESSFUL PROGRAMS

REPLICATION OF SUCCESSFUL PROGRAMS

SEC. 485. (a) REPLICATION PROGRAM AUTHORIZED.—The Secretary shall, in consultation with the expert review panel appointed pursu-

ant to subsection (b), make grants to national or regional public or private nonprofit organizations which meet the requirements of this section for the provision of technical assistance, and to States and service delivery areas for costs associated with the development and operation of model programs approved by the Secretary in accordance with the provisions of this section.

(b) REVIEW PANEL.—(1) The Secretary shall appoint a review panel of recognized experts in the operation and evaluation of employment and training programs for economically disadvantaged youth, adults, and dislocated workers. Such panel shall select and designate model programs pursuant to the provisions of this section. The review panel shall meet at least once each year to carry out the responsibilities described in this section. No member of such panel shall have a direct financial interest in or affiliation with a potential recipient of funds under the program authorized by this section.

(2) The review panel shall select and designate model programs and make recommendations to the Secretary regarding those programs the review panel deems likely to be successful in improving the employment prospects of economically disadvantaged youth, adults and dislocated workers, and which are replicable on a large scale. In selecting such programs the review panel shall consider—

(A) the size and scope of the program;

(B) the length of time the program has been operating;

(C) the nature and reliability of measurable outcomes for the program;

(D) the capacity of the sponsoring national or regional organization to provide the technical assistance necessary for States and local communities to replicate the program; and

(E) the likelihood the program will be successful in diverse economic, geographic, and cultural environments.

(c) SPECIAL CONSIDERATION.—The review panel shall give special consideration to programs that have the demonstrated ability to integrate or coordinate services through collaborative efforts with other service providers in the areas of basic skills instruction, occupational, and pre-employment and work maturity training programs.

(d) CRITERIA FOR MODEL PROGRAMS.—The review panel shall consider any program for designation as a model program if such program—

(1) is designed to improve the employment prospects of economically disadvantaged youth, adults and dislocated workers;

(2) is sponsored or operated by a national or regional public or private nonprofit organization with the capacity to provide the technical assistance necessary to enable States and local communities to implement the program;

(3) has demonstrated reasonable evidence of success, as reflected in measurable outcomes related to stated program goals and objectives; and

(4) has operated on a scale sufficient to demonstrate that the program has the potential to be replicated across a wide range of sites and successfully serve large numbers of economically disadvantaged youth, adults and dislocated workers.

(e) APPLICATIONS.—Each public or private nonprofit organization, State, or service delivery area desiring to receive a grant under this

Act shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) describe the activities and services for which assistance is sought; and

(2) contain such information and assurances as the Secretary may require to ensure compliance with the provisions of this Act.

(f) Grant Limitations.—(1) In any 3-year period the Secretary shall not approve grants for the same replication activities in more than 10 States or communities. During this 3-year period, the results of such limited replication efforts shall be carefully evaluated and examined by the review panel, which shall submit recommendations to the Secretary regarding the advisability of replicating the model program in more than 10 States or communities or for longer than 3 years. On the basis of such recommendations, the Secretary shall have authority to replicate such programs in more than 10 communities or for longer than 3 years.

(2) Notwithstanding the provisions of paragraph (2), the Secretary may, upon recommendation of the review panel, waive the limitation set forth in paragraph (1) if immediate replication efforts on a larger scale is warranted by extensive evaluation of the program prior to its designation as a model program pursuant to the provisions of this paragraph.

PART I—FAIR CHANCE YOUTH OPPORTUNITIES UNLIMITED PROGRAM

STATEMENT OF PURPOSE

Sec. 491. The purposes of the Fair Chance Youth Opportunities Unlimited program include—

(1) enabling communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community; and

(2) facilitating the coordination of comprehensive services to serve youth in such communities.

PROGRAM AUTHORIZED

Sec. 492. (a) Program Established.—The Secretary is authorized to establish a national program of Youth Opportunities Unlimited grants to pay the Federal share of providing comprehensive services to youth living in high poverty areas in the Nation's cities and rural areas.

(b) Awards.—(1) The Secretary may only award grants under this part to the service delivery area (on behalf of the participating community) in which the target area is located, or to the grantee designated under section 401 if the target area is located on an Indian reservation or Alaskan native village.

(2) The Secretary may award not more than 25 grants in the first year after the program is in effect, and may award not more than a total of 40 over the first 5 years that the program is authorized.

(3) The Secretary shall award at least 1, but not more than 3, grants under this part among grantees designated under section 401 representing Indian reservations and Alaskan native villages.

(c) Grant Term.—(1) Grants awarded under this part shall be for a 1-year period and are renewable for each of the 2 succeeding fiscal years if the Secretary determines the grant recipient complied with conditions of the grant during the previous fiscal year.

(2) The Secretary may extend the renewal period set forth in paragraph (1) for an additional 2 fiscal years upon reapplication.

(d) Award Criteria.—In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the goals to be achieved, the likelihood of the project's successful implementation, and the extent of community support. The Secretary shall give priority to participating communities with the highest rates of poverty.

DEFINITIONS

Sec. 493. For the purposes of this part—

(1) The term "participating community" means the city in a Metropolitan Statistical Area, the contiguous nonmetropolitan counties in a rural area, or an Indian reservation or Alaskan native village, that includes the target area for the Fair Chance Youth Opportunities Unlimited Program.

(2) The term "poverty area" means an urban census tract, a nonmetropolitan county, an Indian reservation, or an Alaskan native village, with a poverty rate of 30 percent or more as determined by the Bureau of the Census.

(3) The term "target area" means a poverty area or set of contiguous poverty areas that will be the focus of the program in each participating community.

APPLICATION

Sec. 494. (a) Participating communities which have the highest concentrations of poverty, as determined by the Secretary based on the latest Census estimates, shall be eligible to apply for a Youth Opportunities Unlimited grant.

(b) Each participating community desiring a grant under this part shall, through the individuals set for in subsection (c), submit an application to the Secretary at such time in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) include a comprehensive plan for the Fair Chance Youth Opportunities Unlimited initiative designed to achieve identifiable goals for youth in the target area;

(2) set forth measurable program goals which may include increasing—

(A) the proportion of youths completing high school, and

(B) the proportion of youths entering into community colleges or other advanced training programs, or

(C) the proportion of youths placed in jobs;

(3) include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests;

(4) provide assurances that the conditions set forth in section 495 will be met;

(5) ensure that all youth in the target areas have access to a coordinated and comprehensive range of education and training opportunities which serve the broadest range of youth interests and needs and simultaneously mobilizes the diverse range of education and training providers in the participating community;

(6) demonstrate how the participating community will make use of the resources, expertise, and commitment of institutions of higher education, educational agencies, and vocational and technical schools and institutes;

(7) demonstrate how the participating community will make use of the resources, expertise, and commitment of such programs and service providers as—

(A) community-based organizations providing vocational skills, literacy skills, remedial education, and general equivalency preparation, including those serving youth with limited English proficiency;

(B) youth conservation and human service corps;

(C) Job Corps centers;

(D) apprenticeship programs; and

(E) other projects and programs funded under this Act;

(8) include an estimate of the expected number of youth in the target area to be served;

(9) include a description of the resources available in the participating community from private, local government, State and Federal sources which will be used to achieve the goals of the program;

(10) include an estimate of funds required to ensure access to appropriate education, training, and support services for all youth in the target area who seek such opportunities; and

(11) provide evidence of support for accomplishing the stated goals of the participating community from

(A) local elected officials,

(B) the local school board,

(C) applicable private industry council,

(D) local community leaders,

(E) business,

(F) labor organizations, and

(G) other appropriate organizations.

(c) APPLICATION LIMITATION.—The application for funds for a participating community may only be submitted to the Secretary by—

(1) the mayor of a city in a Metropolitan Statistical Area, after the Governor of the State in which such city is located has had an opportunity to comment on the application;

(2) the governor of the State in which the contiguous nonmetropolitan counties in a rural area are located; or

(3) the grantee designated under section 401 for an Indian reservation or Alaskan native village.

GRANT AGREEMENT

Sec. 495. Each service delivery area (on behalf of the participating community) receiving a grant under this part shall enter into an agreement with the Secretary. Each such agreement shall—

(1) designate a target area that will be the focus of the demonstration project which shall have a population of not more than 25,000;

(2) contain assurances that funds provided under this part will be used to support education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from alternative models described in the application and approved by the Secretary, such as—

(A) nonresidential learning centers,

(B) alternative schools,

(C) combined summer remediation, work experience and work readiness training, and school-to-work/apprenticeship/post-secondary education programs,

(D) teen parent programs,

(E) special programs run by community colleges,

(F) youth centers,

(G) initiatives aimed at increasing rural student enrollment in post-secondary institutions,

(H) public-private collaborations to assure private sector employment and continued learning opportunities for youth; and

(I) initiatives that combine community and youth service opportunities with education and training activities.

(3) provide that only youth who are aged 14 through 21 and reside in the target area shall be eligible to participate in the program;

(4) contain assurances that the local educational agency and any other educational agency which operates secondary schools in the target area shall provide such activities and resources as are necessary to achieve the educational goals specified in the application;

(5) contain assurances that the participating community will provide such activities and local resources as are necessary to achieve the goals specified in the application;

(6) provide that the participating community will carry out special efforts to establish coordination with Federal, State, or local programs that serve the target population; and

(7) provide assurances that funds provided under this part will be used cnly to pay the Federal share of the costs of programs and services not otherwise available in the target area and will supplement, and not supplant, funding from other local, State, and Federal sources available to youth in the target area.

PAYMENTS; FEDERAL SHARE

Sec. 496. (a) Payments.—The Secretary shall pay to each participating community the Federal share of the costs of the activities described in the application.

(b) Federal Share.—The Federal share for each fiscal year a participating community receives assistance under this Act shall be 50 percent.

(c) Limitation.—Each participating community may provide not more than 25 percent of its share from Federal sources other than funds received pursuant to this part.

REPORTING

Sec. 497. The Secretary is authorized to establish such reporting procedures as necessary to carry out the purposes of this part.

FEDERAL RESPONSIBILITIES

Sec. 498. (a) In General.—The Secretary shall provide assistance to participating communities in the implementation of this project in participating communities. The Secretary may reserve not more than 5 percent of the amount appropriated under this part to carry out the provisions of this paragraph.

(b) Independent Evaluation.—The Secretary shall provide for a thorough, independent evaluation of the Fair Chance Youth Opportunities Unlimited program to assess the outcomes of youth participating in such programs. Evaluation measures may include—

(1) enrollment, retention, and completion rates;

(2) high school graduation rates;

(3) avoidance of anti-social behavior and self-destructive behavior;

(4) subsequent employment;

(5) continued pursuit of advanced education and training;

(6) admission into four-year colleges and universities; or

(7) admission into the armed forces, and similar measures.

(c) Report.—The Secretary shall develop a report detailing the results of the independent evaluation and submit such report to the President and the Congress no later than December 31, 1994, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs funded under this part. Such report should summarize findings concerning—

(1) the extent to which current programs are sufficient in number, variety, and quality to meet demand; and

(2) the feasibility of extending access to comprehensive education, training and support services and programs required under this part to all areas of the nation, including possible approaches to the incremental extension of such access over time.

Part J—Employment and Training Assistance for Displaced Homemakers

PROGRAM AUTHORIZED

Sec. 499A. (a) In General.—The Secretary is authorized to provide financial assistance for projects which utilize comprehensive and innovative approaches to delivering services to displaced homemakers. The Secretary may award a grant to a statewide public agency or statewide nonprofit organization which has previously demonstrated the capability to administer effectively a diversified *education, training, and employability development program for displaced homemakers.*

(b) AWARDS.—The Secretary shall award not more than 1 grant per State to administer the services provided under this part. Such grant may be renewed.

APPLICATION

SEC. 499B. (a) IN GENERAL.—Each statewide public agency or statewide nonprofit organization desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each such application shall contain assurances that the State Job Training Coordinating Council and the Governor have had an opportunity to review and comment on the application. Each applicant shall include the comments received by the applicant pursuant to such review.

(b) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to applications from statewide public agencies and statewide nonprofit organizations which—

(1) demonstrate that employment and training services will be given to displaced homemakers who are economically disadvantaged;

(2) demonstrate that priority for employment and training services will be given to displaced homemakers who—

(A) are 45 years of age and older, or

(B) are minorities;

(3) demonstrate that employment and training services to be provided will be coordinated with other Federal, State, or local programs providing services to displaced homemakers; and

(4) demonstrate that program models will be utilized that involve the provision of services which address the unique needs and employment barriers of displaced homemakers, including individual and group counseling, life skills development and preemployment preparation, provided through community-based organizations, educational agenices, and vocational technical schools.

ADMINISTRATIVE PROVISIONS

SEC. 499C. The Secretary shall prescribe such rules and regulations as may reasonably be required to implement this part.

SUPPLEMENTATION OF FUNDING

SEC. 499D. IN GENERAL.—Each statewide public agency or statewide nonprofit organization receiving a grant under this part shall use such funds to supplement and not supplant the funds that would, in the absence of such funds, be made available from other Federal and non-Federal sources to displaced homemakers for the activities and services described in the application.

ADMINISTRATIVE PROCEDURES

SEC. 499E. (a) IN GENERAL.—The Secretary is directed to take appropriate action to establish administrative procedures for the selec-

tion, administration, monitoring, and evaluation of displaced homemaker programs authorized under this part.

(b) SPECIAL RULE.—The Secretary may provide, where appropriate, through grants or contracts, training and technical assistance to statewide public agencies or statewide nonprofit organizations serving displaced homemakers.

TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

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SEC. 502. DEFINITIONS.

For the purpose of this title—

(1) the term "welfare assistance" means—

(A) cash payments made pursuant to part A of title IV of the Social Security Act (relating to the aid to families with dependent children program);

(B) general welfare assistance to Indians, as provided pursuant to the Act of November 2, 1921 (25 U.S.C. (13)), commonly referred to as the Snyder Act; or

(C) cash assistance and medical assistance for refugees made available pursuant to section 412(e) of the Immigration and Nationality Act;

(2) the term "disability assistance" means benefits offered pursuant to title XVI of the Social Security Act (relating to the supplemental security income program);

[(3) the term "long-term recipient" means an individual who has received the benefits described in paragraphs (1) and (2) for 24 months during the 28-month period immediately preceding application for programs offered under this title;**]**

[(4)**]** *(3)* the term "continuous employment" means gainful employment under which wages or salaries are reportable for unemployment insurance purposes, and such wages or salaries are earned during a total of 4 out of 5 consecutive calendar quarters;

[(5)**]** *(4)* the term "supported employment" has the meaning given such term by section 7(18) of the Rehabilitation Act of 1973; and

[(6)**]** *(5)* the term "Federal contribution" means the amount of the Federal component of cash payments to individuals within the participating State under the programs described in this section, including part A of title IV of the Social Security Act.

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TITLE VI—MISCELLANEOUS PROVISIONS

AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 8. (a) Any State desiring to receive the benefits of this Act shall, by the agency designated to cooperate with the United States Employment Service, submit to the Secretary of Labor detailed plans for carrying out the provisions of this Act within such State.

(b) Prior to submission of such plans to the Secretary—

(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

(3) such plans shall be transmitted to the [State job training coordinating council] *State human resource investment council* (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;

(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council's recommendations for modifying such plans; and

(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.

(d) Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act.

(e) If such plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary of Labor and due notice of such approval shall be given to the State agency.

* * * * * * *

SEC. 11. (a) The Director shall establish a Federal Advisory Council composed of men and women representing employers and employees in equal numbers and the public for the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems. Members of such council shall be selected from time to time in such manner as the Director shall prescribe and shall serve without compensation, but when attending meetings of the council they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The council shall have access to all files and records of the United States Employment Service. The Director shall also require the organization of similar State advisory councils composed of men and women representing employers and employees in equal numbers and the public. Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the [State job training coordinating council] *State human resource investment council* in accordance with section 122(c) of the Job Training Partnership Act.

(b) In carrying out the provisions of this Act the Director is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants before they are referred to employment.

* * * * * * *

SEC. 14. There are authorized to be appropriated such sums as may be necessary to enable the Secretary to provide funds through reimbursable agreements with the States to operate statistical programs which are essential for development of estimates of the gross national product and other national statistical series, including those related to employment and unemployment.

SEC. 15. The State human resource investment council established under section 201(a) of the Job Training and Basic Skills Act of 1989 shall review the provision of services and the use of funds and resources under this Act and advise the Governor on methods of coordinating such provision of services and use of funds and resources with the provision of services and the use of funds and resources under—

(1) the Adult Education Act;

(2) the Carl D. Perkins Vocational Education Act;

(3) the Job Training Partnership Act; and

(4) part F of title IV of the Social Security Act (JOBS), to the extent provided under section 483 of such Act.

SEC. [15] *16.* This Act may be cited as the "Wagner-Peyser Act".

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CE

II

Calendar No. 239

101st CONGRESS
1st Session

S. 543

[Report No. 101-129]

To amend the Job Training Partnership Act to strengthen the program of employment and training assistance under that Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

March 8 (legislative day, January 3), 1989

Mr. Simon (for himself, Mr. Kennedy, Mr. Thurmond, Mr. Hatch, Ms. Mikulski, Mr. Lautenberg, Mr. Pell, Mr. Coats, Mr. Cochran, Mr. Matsunaga, Mr. Dodd, Mr. Jeffords, Mr. Durenberger, and Mr. Robb) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

September 14 (legislative day, September 6), 1989

Reported by Mr. Kennedy, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Job Training Partnership Act to strengthen the program of employment and training assistance under that Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~**SECTION 1. SHORT TITLE.**~~

~~This Act may be cited as the "Job Training Partnership Act Youth Employment Amendments of 1989".~~

~~**SEC. 2. AUTHORIZATION OF APPROPRIATIONS.**~~

~~(a) AUTHORIZATION FOR ADULT AND YOUTH PROGRAMS.—Section 3(a)(1) of the Job Training Partnership Act (hereinafter referred to as the "Act") is amended by—~~

~~(1) inserting "(A)" after the paragraph designation;~~

~~(2) striking "There" and inserting in lieu thereof "Except as provided in subparagraph (B), there"; and~~

~~(3) inserting the following new subparagraph:~~

~~"(B) There are authorized to be appropriated $1,223,000,000 for fiscal year 1990 to carry out the provisions of part A of title II and title IV (other than part B of such title) of this Act.".~~

~~(b) AUTHORIZATION FOR YOUTH PROGRAMS.—(1) Section 3(b) of the Act is amended by—~~

~~(A) inserting "(1)" after the subsection designation;~~

~~(B) striking "There" and inserting "Except as provided in paragraph (2), there"; and~~

~~(C) inserting the following new paragraph:~~

~~"(2) There are authorized to be appropriated $1,574,000,000 for fiscal year 1990 to carry out the provisions of part B of title II of this Act.".~~

~~(2) Section 3 of the Act is amended by redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively; and~~

~~(3) by inserting the following new subsection after subsection (b):~~

~~"(c)(1) Not withstanding any other provision of this Act, the total amount allotted to each State under parts A and B of title II shall equal or exceed the amount allotted to such State under such parts for fiscal year 1989.~~

~~"(2) If the amounts appropriated under subsections (a) and (b) of this section for any fiscal year are insufficient to meet the requirements of paragraph (1), the total amount allotted under parts A and B of title II shall be ratably reduced.".~~

~~SEC. 3. DEFINITIONS.~~

~~(a) IN GENERAL.—Section 4 of the Act is amended—~~

~~(1) in clause (F) of paragraph (8) by inserting "or youth" after "adult"; and~~

~~(2) by adding the following new paragraph after paragraph (29):~~

~~"(30) The term 'long term recipient' means an individual who has received—~~

~~"(A) cash payments made pursuant to part A of title IV of the Social Security Act (relating to~~

~~the aid to families with dependent children program);~~

~~"(B) general welfare assistance to Indians, as provided pursuant to the Act of November 2, 1921 (25 U.S.C. (13)), commonly referred to as the Snyder Act;~~

~~"(C) cash assistance and medical assistance for refugees made available pursuant to section 412(e) of the Immigration and Nationality Act; or~~

~~"(D) benefits offered pursuant to title XVI of the Social Security Act (relating to supplemental security income programs) and title II of such Act (relating to Social Security Disability Insurance);~~

~~for 24 months during the 28-month period immediately preceding application for programs offered under this title.".~~

~~(b) TECHNICAL AMENDMENT.—Section 502 of the Act is amended by—~~

~~(1) striking paragraph (3); and~~

~~(2) redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively.~~

~~**SEC. 4. PRIVATE INDUSTRY COUNCILS.**~~

~~(a) COMPOSITION AMENDMENTS.—(1) Section 102(a) of the Act is amended—~~

~~(A) by striking "and" at the end of paragraph (1); and~~

~~(B) by striking paragraph (2) and inserting in lieu thereof the following:~~

~~"(2) representatives of organized labor, and representatives of community based organizations who shall constitute not less than 17 percent of the membership of the council; and~~

~~"(3) representatives of all educational agencies in the service delivery area, including representatives of institutions of higher education (including private career schools), and public service agencies (including employment service agencies, public assistance agencies, and economic development agencies) who shall constitute not less than 25 percent of the membership of the council.~~

~~At least one member of the private industry council appointed pursuant to paragraph (3) shall be a representative of a program or agency providing vocational rehabilitation to people with disabilities.".~~

~~(2) Section 102(c)(2) of the Act is amended to read as follows:~~

~~"(2) Education representatives on the council shall be selected from among individuals nominated by regional or local educational agencies, vocational education institutions,~~

~~institutions of higher education (including private career schools) or general organizations of such schools and institutions within the service delivery area.".~~

~~(3) Section 102(c)(3) of the Act is amended to read as follows:~~

~~"(3) The labor representation on the council shall be selected from individuals recommended by recognized State and local labor organizations. If the State or local labor organization cannot adequately meet the labor representation on the private industry council then individuals from unorganized labor may be included on the council to complete the labor representation.~~

~~"(4) The remaining members of the council shall include additional representatives from all sectors represented on the council.".~~

~~(b) EFFECTIVE DATE.—No private industry council shall be considered to be in violation of the amendments made by subsection (a) of this section until 3 years after the date of enactment of this Act.~~

~~SEC. 5. PERFORMANCE STANDARDS.~~

~~(a) PERFORMANCE STANDARDS.—The first sentence of section 106(b)(1) of the Act is amended by inserting "the acquisition of basic educational competency and" after "title II is".~~

~~(b) Measurement of Performance Standards.—The second sentence of section 106(b)(1) is amended to read as follows: "In order to determine whether these basic measures are achieved, the Secretary shall prescribe standards on the basis of appropriate factors which may include—~~

~~"(1) acquisition of basic skills and workplace competencies including raising the grade level of reading, writing, and computational skills, as well as acquisition of a high school diploma or a general equivalency diploma;~~

~~"(2) placement in unsubsidized employment;~~

~~"(3) retention in unsubsidized employment for more than 6 months;~~

~~"(4) increase in earnings, including hourly wages; and~~

~~"(5) reduction in the number of individuals and families receiving cash welfare payments and the amounts of such payments.".~~

~~(c) Separate Performance Standards.—Section 106(b)(4) of the Act is amended by—~~

~~(1) inserting "(A)" after the paragraph designation;~~

~~(2) inserting the following new sentence at the end of paragraph (4)(A) (as redesignated in paragraph (1) of this subsection): "The Secretary shall develop~~

~~one set of performance standards for hard-to-serve individuals, (including handicapped individuals), and one set of performance standards for all other individuals receiving assistance under this Act. Performance standards for hard-to-serve individuals should not emphasize cost efficiency if such emphasis would impair the effectiveness of programs assisted under this Act."; and~~

~~(3) inserting the following new subparagraph at the end thereof:~~

~~"(B) The Secretary shall also develop separate performance standards for in-school and out-of-school youth programs assisted under part B of title II of this Act. Such performance standards shall emphasize the development of appropriate outcomes for in-school and out-of-school youth, such as improving basic skills and long term job placement and retention.".~~

~~(d) SUPPORTIVE SERVICES.—Section 106(b) is amended by adding at the end thereof the following new paragraph:~~

~~"(5) The Secretary shall not prescribe performance standards which penalize service delivery areas for using funds provided for support services pursuant to section 108(b)(2)(A)(iii).".~~

~~(e) Additional Funding for Support Services.—Section 108 of the Act is amended by—~~

~~(1) redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and~~

~~(2) by adding the following new subsection after subsection (b):~~

~~"(c) In addition to the funds available pursuant to subsection (b)(2)(A)(iii), an additional 10 percent of the funds available to a service delivery area for programs under part A of title II may be expended for support services if—~~

~~"(1) such additional support services funds are spent providing eligible individuals with long term services;~~

~~"(2) the request for such additional support service funds is justified in the job-training-plan required under section 104; and~~

~~"(3) the request for such additional support service funds is approved by the Governor pursuant to subsection 105.".~~

~~(f) Service Delivery Area Transfer and Contract.—Part A of title I of the Act is amended by adding the following new sections at the end thereof:~~

~~"SERVICE DELIVERY AREA TRANSFER AND CONTRACT~~

~~"Sec. 109. (a) Any service delivery area may enter into a contract with another service delivery area to share the cost of educating, training, and placement of individuals par-~~

~~ticipating in programs assisted under this Act, including the provision of supportive services. Such contract shall include all of the terms and conditions of the agreement between the service delivery areas and shall be approved by an individual representing each private industry council providing guidance to a contracting service delivery area.~~

~~"(b) Each contracting service delivery area shall be equally rewarded under the appropriate performance standards.~~

~~"CARRYOVER AND REALLOCATION~~

~~"Sec. 110. (a) Carryover.—~~

~~"(1) In any fiscal year the amount of funds allocated to a service delivery area which can be carried over to the fiscal year following the fiscal year for which the determination is made may not exceed 10 percent of the amount of funds allocated to such service delivery area for the year for which such determination is made.~~

~~"(2) The total amount of funds allocated to a service delivery area which can be carried forward to the fiscal year following the fiscal year for which the determination is made may not exceed 20 percent of the amount of funds allocated to such service delivery area for the year for which such determination is made.~~

~~"(3) In each fiscal year the Governor shall deduct the amount of funds carried over by a service delivery area in excess of the limitations imposed by paragraphs (1) and (2) from the allocation for such service delivery area for the fiscal year for which the determination is made. Any funds deducted pursuant to this paragraph shall be available for reallocation.~~

~~"(b) SERVICE DELIVERY AREA REALLOCATION.—The Governor shall reallot funds available under subsection (a) of this section for reallocation to those service delivery areas that have expended at least 90 percent of the total funds available to such service delivery area. The method the Governor shall use in making such reallocation shall be the same method that was originally used to allocate the funds among service delivery areas within the State.~~

~~"(c) STATE REALLOTMENT.—For program years beginning July 1, 1989, and thereafter, the Secretary shall, in accordance with the requirements of this section, reallot to eligible States the funds allotted to States from funds appropriated for such program year that are available for reallotment.~~

~~"(d) AMOUNT AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—~~

~~"(1) the amount by which the unexpended balance of the State allotment at the end of the program year~~

~~prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for that prior program year; plus~~

~~"(2) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.~~

~~"(e) Method of Reallotment.—(1) The Secretary shall determine the amount that would be allotted to each eligible State by using the same method that was originally used to allocate among eligible States the amount available pursuant to subsection (b) of this section.~~

~~"(2) The Secretary shall, by using the same method that was originally used, allot to eligible States the amount available that remains after the allotment required by paragraph (1) of this subsection.~~

~~"(f) Definition.—For purposes of this section, an eligible State means a State which has expended at least 80 percent of its allotment for the program year prior to the program year for which the determination under this section is made.".~~

~~(g) Technical Amendment.—The table of contents of the Act is amended by adding after "Sec. 108. Limitation on certain cost." the following:~~

~~"Sec. 109. Service delivery area transfer and contract.~~
~~"Sec. 110. Carryover and reallocation.".~~

~~SEC. 6. ALLOTMENT AND WITHIN STATE ALLOCATION.~~

~~(a) ALLOTMENT.—(1) Section 201(b)(1) of the Act is amended—~~

~~(A) by striking out subparagraph (A);~~

~~(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;~~

~~(C) by striking out "33⅓" in subparagraph (A) (as redesignated in subparagraph (B)) and inserting in lieu thereof "50";~~

~~(D) by inserting "and" at the end of subparagraph (A) (as redesignated in subparagraph (B)); and~~

~~(E) by striking out "33⅓" in subparagraph (B) (as redesignated in subparagraph (B)) and inserting in lieu thereof "50".~~

~~(2) Section 201(b)(2)(B) of the Act is amended by striking the first sentence and inserting in lieu thereof the following new sentence: "No State shall be allotted more than 110 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made unless the Secretary waives the limitation imposed by this subparagraph based on a determination that such waiver will result in the effective utilization of funds and enhance the achievement of the objectives of the program.".~~

~~(3) Section 201(b)(3)(B) of the Act is amended by—~~

~~(A) inserting after the word "individual" the following: "who has attained 25 years of age but not 73 years of age and"; and~~

~~(B) inserting at the end thereof the following new sentence: The Secretary shall to the extent practicable, exclude college students and members of the Armed Services from the member of economically disadvantaged individuals.~~

~~(b) WITHIN STATE ALLOCATION.—(1) Section 202(a)(1) of the Act is amended by striking "78" and inserting in lieu thereof "80".~~

~~(2) Section 202(a)(2) of the Act is amended—~~

~~(A) by striking out subparagraph (A);~~

~~(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;~~

~~(C) by striking out "33⅓" in subparagraph (A) (as redesignated in subparagraph (B)) and inserting in lieu thereof "50";~~

~~(D) by inserting "and" at the end of subparagraph (A) (as redesignated in subparagraph (B)); and~~

~~(E) by striking out "33⅓" in subparagraph (B) (as redesignated in subparagraph (B)) and inserting in lieu thereof "50".~~

~~(3) Section 202(a)(2) of the Act is further amended by adding at the end thereof the following flush sentence:~~

~~“The private industry council in each service delivery area may reserve not more than 10 percent of the funds received under this part for experimental programming for groups with special needs to serve hard-to-serve eligible individuals (such as long-term recipients under the Aid to Families with Dependent Children program). Such funds shall be exempt from performance standards. The Comptroller General shall conduct a study to review and assess such experimental programs and shall submit the findings to the appropriate committees of Congress within 2 years of the date of enactment of this Act.”.~~

~~(4) Section 202(a)(3) is amended by inserting after the first sentence the following new sentence: “No service delivery area shall be allocated more than 110 percent of its allocation for the fiscal year preceding the fiscal year for which the determination is made unless the Governor waives the limitation imposed by this subparagraph based on a determination that such waiver will result in the effective utilization of funds and enhance the achievement of the objectives of the program.”.~~

~~(5) Section 202(a)(3)(B) of the Act is amended by—~~

~~(A) inserting after the word “individual” the following: “who has attained 25 years of age but not 73 years of age and”; and~~

~~(B) by inserting at the end thereof the following new sentence: "For the purpose of this subparagraph, and to the extent practicable, the Secretary shall exclude college students and members of the armed forces from the number of economically disadvantaged individuals.".~~

~~(6) Section 202(b) of the Act is amended—~~

~~(A) in paragraph (1) by striking "Eight percent" and inserting in lieu thereof "Five percent";~~

~~(B) in paragraph (1) by inserting the following new sentence at the end thereof: "A State may expend funds provided pursuant to this paragraph only to the extent that an equal amount is expended by other Federal, State, local, or private sources to carry out such services.";~~

~~(C) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5) respectively; and~~

~~(D) by inserting the following new paragraph after paragraph (1):~~

~~"(2)(A) Three percent of the allotment of each State for each fiscal year shall be forwarded to service delivery areas to carry out long term training, basic skills, and educational services.~~

~~"(B) Out of the funds reserved for the service delivery areas pursuant to this paragraph, the Secretary~~

~~shall provide for an independent evaluation of services provided under this paragraph and the effectiveness of services provided under this paragraph within one year of the date of enactment of this Act.";~~

~~(E) in paragraph (3) (as redesignated in subparagraph (C)) by striking "Three" and inserting "Two";~~

~~(F) in paragraph (4)(A) (as redesignated in subparagraph (C)) by striking "Six" and inserting in lieu thereof "Eight"; and~~

~~(G) in paragraph (4)(B) (as redesignated in subparagraph (C)) by—~~

~~(i) inserting "(i)" after the subparagraph designation; and~~

~~(ii) adding the following new clause:~~

~~"(ii) The Governor may only award incentive grants to service delivery areas which provide long term training or exceed performance standards relating to—~~

~~"(I) raising basic skills competencies;~~

~~"(II) serving hard to serve adults; and~~

~~"(III) providing long term job placement.~~

~~For the purpose of this subparagraph the term 'long term job placement' means employment for a period of at least 9 months.".~~

~~SEC. 7. ELIGIBILITY FOR SERVICES.~~

~~(a) In General.—Section 203(a)(1) is amended by—~~

~~(1) striking "Except as provided in paragraph (2), an" and inserting "An"; and~~

~~(2) by adding the following at the end thereof: "In providing services under this title a service delivery area shall give special emphasis to hard-to-serve populations or individuals most-in-need of basic skills and employment training services. A service delivery area shall test a participant's reading and math skills, and review an applicant's employment history in order to encourage the inclusion rather than the exclusion of those most in need of assistance. A service delivery area is not required to test a participant's reading and math skills if the results of a standardized test administered to individuals within 1 year of application of such individual for services under this part for reading and math are made available to the service delivery area for review.".~~

~~(b) Special Rule.—Section 203(a)(2) of the Act is amended to read as follows:~~

~~"(2)(A) Up to 10 percent of all participants in all programs in a service delivery area receiving assistance under this part may be individuals who are not economically disadvantaged if such individuals are in 2~~

~~or more of the classes of individuals described in subparagraph (B)(i).~~

~~"(B) In addition to the individuals described in subparagraph (A), an additional 5 percent of all participants in all programs in a service delivery area receiving assistance under this part may be individuals who are not economically disadvantaged if—~~

~~"(i) such individuals are included in 2 or more of the following categories:~~

~~"(I) limited English proficient individuals;~~

~~"(II) displaced homemakers;~~

~~"(III) school dropouts;~~

~~"(IV) teenage parents;~~

~~"(V) handicapped individuals;~~

~~"(VI) older workers;~~

~~"(VII) veterans;~~

~~"(VIII) offenders;~~

~~"(IX) alcoholics;~~

~~"(X) addicts; or~~

~~"(XI) homeless individuals; and~~

~~"(ii) the plan for inclusion of such individuals has been set forth in the job training plan pursuant to section 104 and has been approved by the Governor pursuant to section 105.".~~

~~(c) TRANSFER PROVISIONS.—Section 203(b) is amended—~~

~~(1) in the first sentence of paragraph (1) by striking out "Funds" and inserting "Except as provided in paragraph (2), funds";~~

~~(2) in the first sentence of paragraph (1) by striking "youth and";~~

~~(3) by striking the second sentence of paragraph (1); and~~

~~(4) by amending paragraph (2) to read as follows:~~

~~"(2) A service delivery area may transfer funds provided under this part to part B of this title for youth programs if a description of such transfer is included in the job training plan pursuant to section 104 and the Governor approves the transfer pursuant to section 105.".~~

~~(d) DEFINITION OF ADULT.—Section 203(c) of the Act is amended to read as follows:~~

~~"(c) For the purposes of this title, the term 'adult' means an individual who is 25 years of age or older.".~~

~~(e) TECHNICAL AMENDMENTS.—(1) Section 104(b) of the Act is amended—~~

~~(A) by redesignating paragraphs (9), (10), and (11) as paragraphs (10), (11), and (12), respectively; and~~

~~(B) by inserting the following new paragraph after paragraph (8):~~

~~"(9) the amount of funds transferred pursuant to section 203(b)(2) and the reasons for such transfer;".~~

~~(2) The first sentence of section 204 of the Act is amended by striking "youth and";~~

~~SEC. 8. PLACEMENT STUDY.~~

~~(a) IN GENERAL.—Section 205 is amended to read as follows:~~

~~"PLACEMENT STUDY~~

~~"SEC. 205. The Comptroller General of the United States shall conduct a study to determine how many and what percentage of adults assisted under this part remain in a job in which they were placed through programs assisted under this part for at least 9 months. The Comptroller General shall submit the findings to the appropriate committees of Congress within 2 years of the date of enactment of this Act.".~~

~~(b) TECHNICAL AMENDMENT.—(1) The table of contents of the Act is amended—~~

~~(A) by striking "AND YOUTH" in the heading for part A of title II of the Act.~~

~~(B) in the item relating to section 205 by striking "Exemplary youth programs" and inserting in lieu thereof "Placement study";~~

~~(2) The heading for part A of title II of the Act is amended by striking "AND YOUTH".~~

~~SEC. 9. YOUTH EMPLOYMENT AND TRAINING PROGRAM ALLOTMENT.~~

~~(a) TITLE.—Part B of title II of the Act is amended by striking out "SUMMER" in the heading of such part.~~

~~(b) Section 252(b) of the Act is amended to read as follows:~~

~~"(b) Subject to the provisions of subsections (c) and (d), of the remainder of the amount available for this part for each fiscal year—~~

~~"(1) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each State compared to the total number of economically disadvantaged youth in all States;~~

~~"(2) 25 percent shall be allotted on the basis of the relative number of unemployed youth who reside in each State compared to the total number of unemployed youth in all the States; and~~

~~"(3) 25 percent shall be allotted on the basis of the relative number of the economically disadvantaged youth residing in areas with substantial numbers of economically disadvantaged youth in each State as compared to the total number of such economically disadvantaged youth in all such areas in all States.~~

~~"(c) No State shall be allotted less than 100 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.~~

~~"(d) No State shall be allotted more than 110 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made unless the Secretary waives the limitation imposed by this subsection based on a determination that such waiver will result in the effective utilization of funds and enhance the achievement of the objectives of the program.~~

~~"(e) For the purposes of subsection (b)—~~

~~"(1) the term 'economically disadvantaged youth' means an individual who is aged 16 through 24 and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of the poverty level as issued by the Office of Management and Budget or 70 percent of the lower living standard income level. The term 'economically disadvantaged youth' excludes college students and members of the armed forces, as appropriate, and to the extent practical, as determined by the Secretary; and~~

~~"(2) the term 'area with substantial numbers of economical disadvantaged youth' means an area of sufficient size and scope to sustain a program under part B of title II of this Act and in which the percentage of economically disadvantaged youth in the population of youth aged 16 through 24 is at least 20 percent.~~

~~"(f)(1) The Governor shall, in accordance with section 162, allocate the allotment of the State (under section 252(b)) for such fiscal year among service delivery areas within the State in accordance with paragraph (2).~~

~~"(2) Subject to the provisions of paragraph (3), of the amount available for this part for each fiscal year—~~

~~"(A) 50 percent shall be allocated on the basis of the relative number of economically disadvantaged youth within each service delivery area compared to the total number of economically disadvantaged youth in the State; and~~

~~"(B) 50 percent shall be allocated on the basis of the number of economically disadvantaged youth residing in areas with substantial numbers of economically disadvantaged youth in each service delivery area compared to the total number of such economically disadvantaged youth in such areas in all service delivery areas in the State.~~

~~"(3) For fiscal years beginning after September 30, 1989, no service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for fiscal year 1989. The allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated pursuant to this subsection to all service delivery~~

~~areas within the State for each such preceding fiscal year. If the amounts appropriated pursuant to section 3 (a) and (b) of the Act are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.~~

~~"(4) No service delivery area shall be allotted more than 110 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made unless the Governor of the State waives the limitation imposed by this subparagraph based on a determination that such waiver will result in the effective utilization of funds and enhance the achievement of the objectives of the program.~~

~~"(5) For purposes of paragraph (2)—~~

~~"(A) the term 'economically disadvantaged youth' means an individual who is aged 16 through 24 and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of the poverty level as issued by the Office of Management and Budget or 70 percent of the lower living standard income level. The term 'economically disadvantaged youth' excludes college students and members of the armed forces as appropriate and to the extent practical as determined by the Secretary; and~~

~~"(B) the term 'area with substantial numbers of economically disadvantaged youth' has the same meaning given that term in subsection (c)(3).".~~

~~**SEC. 10. USE OF FUNDS.**~~

~~(a) In General.—Section 253(a) of the Act is amended by—~~

~~(1) striking "and" at the end of paragraph (1);~~

~~(2) striking the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and~~

~~(3) adding at the end thereof the following:~~

~~"(3) needs-based payments necessary to participate in the program in accordance with a locally developed formula or procedure; and~~

~~"(4) compensation in the form of work experience wages.".~~

~~(b) Additional Services.—Section 253 of the Act is amended by adding at the end thereof the following new subsections:~~

~~"(c)(1) In addition to the services set forth in section 255(2) funds available for this part may be used, where appropriate, to provide the following services to in school, dropout prone youth:~~

~~"(A) combined basic and life skills instruction, and work experience during the summer months;~~

~~“(B) enriched basic skills and study skills training, including tutoring, during the school year;~~

~~“(C) supplemental school year activities such as individual and group counseling, mentoring, career awareness, and social group and educational activities;~~

~~“(D) preemployment and socialization skills and behavior training; and~~

~~“(E) supportive services necessary to enable individuals to participate in the program.~~

~~“(2) For the purposes of this subsection the term ‘dropout prone youth’ is a youth who—~~

~~“(A) is at risk of academic failure or of dropping out of school;~~

~~“(B) has high absentee rates in addition to poor grades;~~

~~“(C) has disciplinary or school suspension problems;~~

~~“(D) is a teen parent;~~

~~“(E) is of limited English proficiency;~~

~~“(F) is a juvenile offender; or~~

~~“(G) is educationally and economically disadvantaged.~~

~~“(d) In addition to the services set forth in section 255(2) funds available for this part may be used, where ap-~~

~~propriate, to provide the following services to school dropouts and out-of-school youth:~~

~~"(1) specialized outreach arrangements;~~

~~"(2) basic skills training, including tutoring;~~

~~"(3) occupational skills training, work experience, limited internships in the private-for-profit sector, and job development and placement assistance;~~

~~"(4) work readiness and life skills training, counseling, mentoring, parenting education, and post-program follow-up services; and~~

~~"(5) supportive services necessary to enable individuals to participate in the program.~~

~~"(c) Programs under this part may be conducted during the summer months or on a year-round, full-time basis, provided no more than 40 percent of the funds available for this part shall be used for summer youth programs.".~~

~~**SEC. 11. LIMITATIONS.**~~

~~(a) IN GENERAL.—Section 254(a) is amended to read as follows:~~

~~"(a) Programs under this part may be conducted on a year-round, full-time basis or during the summer months.".~~

~~(b) SPECIAL CONSIDERATION.—Section 254(b) of the Act is amended by—~~

~~(1) inserting "(1)" after the subsection designation;~~

~~(2) striking "Except as provided in subsection (c) individuals" and inserting in lieu thereof "Individuals"; and~~

~~(3) inserting the following new paragraphs after paragraph (1) (as redesignated in paragraph (1)):~~

~~"(2) Special consideration shall be given to economically disadvantaged youth who experience severe disadvantages, such as—~~

~~"(A) school dropouts;~~

~~"(B) students with poor academic and attendance records;~~

~~"(C) students who are eligible for or receive services under the National School Lunch Act or chapter 1 of title 1 of the Elementary and Secondary Education Act of 1965;~~

~~"(D) pregnant or parenting teens;~~

~~"(E) handicapped youth;~~

~~"(F) limited-English proficient students;~~

~~"(G) recipients or members of families who are receiving public assistance; or~~

~~"(H) juvenile and other youth offenders.~~

~~"(3)(A) Up to 10 percent of all participants in the programs assisted under this part may be individuals who are not economically disadvantaged if such individuals are in 2 or more of the classes of individuals described in paragraph (2).~~

~~"(B) In addition to the individuals described in subparagraph (A), an additional 5 percent of all participants in the programs assisted under this part may be individuals who are not economically disadvantaged if—~~

~~"(i) such individuals are in 2 or more of the classes of individuals described in paragraph (2); and~~

~~"(ii) the plan for inclusion of such individuals has been set forth in the job training plan pursuant to section 104 and has been approved by the Governor pursuant to section 105.".~~

~~(c) YEAR-ROUND ELIGIBILITY.—Section 254(c) of the Act is amended by—~~

~~(1) inserting "(1)" after the subsection designation;~~

~~(2) striking "summer", and inserting after "part" a comma and "with priority being given to those individuals who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school"; and~~

~~(3) inserting the following paragraph after paragraph (1) (as redesignated in paragraph (1)):~~

~~"(2) Individuals eligible to participate in year-round programs under this part are—~~

~~"(A) youth who are aged 16 through 24;~~

~~"(B) economically disadvantaged youth; and~~

~~“(C) youth who are deficient in basic skills.”.~~

~~SEC. 12. REQUIREMENTS FOR YEAR-ROUND PROGRAMS.~~

~~(a) In General.—Title II of the Act is amended—~~

~~(1) by redesignating section 255 as section 256; and~~

~~(2) by adding after section 254 the following new section:~~

~~“REQUIREMENTS FOR YEAR-ROUND PROGRAMS~~

~~“Sec. 255. (a) A service delivery area operating a year-round program under this part shall—~~

~~“(1) include in the job training plan a description of the year-round program including—~~

~~“(A) goals and objectives to be attained,~~

~~“(B) activities and services to be provided,~~

~~“(C) linkages established with other local agencies to provide services under the year-round program, and~~

~~“(D) service strategies of demonstrated effectiveness on which the provision of services will be based or, where new strategies are undertaken, the design of the program that will allow for rigorous and objective evaluation of the new strategies;~~

~~“(2) provide to each participant—~~

~~“(A) the development of a service strategy; and~~

~~"(B) basic skills assistance; and~~

~~"(3) establish linkages with local educational agencies that include, but are not limited to—~~

~~"(A) arrangements to ensure that the program assisted under this section supplements existing programs provided by local education agencies to in-school youth;~~

~~"(B) arrangements to ensure that the program assisted under this section utilizes existing services provided by local education agencies to out-of-school youth to the extent possible;~~

~~"(C) agreements providing that, where feasible, the local educational agencies shall notify the program assisted under this section when a youth drops out of the school system;~~

~~"(D) arrangements for obtaining information relating to the literacy levels of participants; and~~

~~"(E) other appropriate linkages which enhance the provision of services assisted under this section.~~

~~The private industry council in each service delivery area operating a year-round program under this part may establish linkages with local service agencies, community organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, ju-~~

~~venile justice systems, and other training, education, employment, and social service programs, including programs conducted under part A of title II.~~

~~“(b) LIMITATION.—Not more than 15 percent of the funds available for year-round programs assisted under this part may be used to pay the costs of administration.”.~~

~~(b) TECHNICAL AMENDMENT.—The table of contents in part B of title II of the Act is amended—~~

~~(1) by redesignating the item relating to section 255 as section 256; and~~

~~(2) by adding the following after section 254:~~

~~“Sec. 255. Requirements for year-round programs.”.~~

~~SEC. 13. EXEMPLARY YOUTH PROGRAMS.~~

~~Part B of title II of the Act is amended by inserting the following new section after section 256 (as amended in section 12(a)(1) of this Act):~~

~~“EXEMPLARY YOUTH PROGRAMS~~

~~“SEC. 257. (a) In addition to the services for youth which may be available in accordance with this part, the job training plan may, at the option of those responsible for its preparation, elect to include one or more of the exemplary youth programs described in subsections (b) through (e) of this section, each of which may be modified by the plan to accommodate local conditions.~~

~~“(b)(1) The job training plan may provide for the conduct of a ‘basic skills for employment program’ for eligible~~

~~youth who have not attained a high school diploma or who have basic skills deficiencies despite the attainment of a diploma, with priority given to high school dropouts.~~

“~~(2) The basic skills for employment programs may provide for the maintenance of a network of learning centers offering individualized or group instruction in convenient locations, such as schools, neighborhood organizations, libraries, and other sites, including mobile vans in rural areas.~~

“~~(3) The curricula provided by such network shall be designed to prepare the student to meet State and locally determined general education diploma and basic skills competency requirements.~~

“~~(4) For purposes of this section, priority shall be given in the selection of service providers to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success, and which otherwise meet the criteria of this Act.~~

“~~(c)(1) The job training plan may provide for the conduct of a ‘preemployment skills training program’ for youth, and individuals aged 14 and 15, with priority being given to those individuals who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school.~~

“~~(2) The preemployment skill training program may provide youth up to 200 hours of instruction and activities.~~

~~"(3) The instruction and activities may include—~~

~~"(A) assessment, testing, and counseling;~~

~~"(B) occupational career and vocational exploration;~~

~~"(C) job search assistance;~~

~~"(D) job holding and survival skills training;~~

~~"(E) basic life skills training;~~

~~"(F) remedial education;~~

~~"(G) labor market information; and~~

~~"(H) job-seeking skills training.~~

~~"(d)(1) The job training plan may provide for the conduct of an 'entry employment experience program' for youth who—~~

~~"(A) have completed preemployment skills training or its equivalent;~~

~~"(B) have not recently held a regular part-time or summer job for more than 250 hours of paid employment, except that this paragraph may be waived in accordance with criteria established in the job training plan; and~~

~~"(C) are enrolled in a secondary school or an institution offering a certified high school equivalency program and are meeting or have met the minimum academic and attendance requirements of that school or~~

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~~education program during the current or most recent term,~~

~~with priority given to youth who do not plan to continue on to postsecondary education.~~

~~"(2) Entry employment experiences may be up to 20 hours weekly during the school year or full time during the summer and holidays, for a total of not to exceed 500 hours of entry employment experience for any individual. Such experiences shall be appropriately supervised, including the maintenance of standards of attendance and worksite performance.~~

~~"(3) Entry employment experiences may be one of the following types:~~

~~"(A) Full-time employment opportunities in public and private nonprofit agencies during the summer and on a part-time basis in combination with education and training activities. These jobs shall provide community improvement services that complement local expenditures.~~

~~"(B) Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available. Compensation in lieu of wages for tryout employment shall be paid by the grant recipient, but the length of any assignment to a tryout employment position shall~~

~~not exceed 250 hours. Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment), and vacancies in such positions may not be refilled if the previous participant completed the tryout employment but was not hired by the employer.~~

~~“(C) Cooperative education programs to coordinate educational programs with work in the private sector.~~

~~“(c)(1) The job training plan may provide for the conduct of a ‘school-to-work transition assistance program’ for youth who are—~~

~~“(A) high school seniors who plan to enter the full-time labor market upon graduation, with priority to seniors in high schools having a predominance of students from families with incomes below 70 percent of the lower living standard income level; and~~

~~“(B) dropouts, with followup as immediately as possible after leaving school.~~

~~“(2) Transition services include—~~

~~“(A) provision of occupational information;~~

~~“(B) short-duration job search assistance;~~

~~“(C) job clubs;~~

~~“(D) placement and job development; and~~

~~“(E) followup.~~

~~“(3) Seniors and dropouts who are eligible for and in need of training activities may be provided information and, where appropriate, referred to—~~

~~“(A) preemployment skills training, entry employment experience, and remedial education and basic skills training;~~

~~“(B) adult training activities; and~~

~~“(C) the Job Corps.”.~~

~~(c) TECHNICAL AMENDMENT.—The table of contents in part B of title II of the Act is amended by adding the following after section 256 of the Act (as amended by section 12(b)):~~

~~“Sec. 257. Exemplary youth programs.”.~~

~~**SEC. 258. REPLICATION OF SUCCESSFUL PROGRAMS.**~~

~~(a) IN GENERAL.—Part B of title II of the Act is amended by inserting the following new section after section 257 of the Act (as amended by section 13(b)):~~

~~“(a) REPLICATION PROGRAM AUTHORIZED.—From funds appropriated pursuant to section 3(b) of the Act, the Secretary shall, in consultation with the expert review panel appointed pursuant to subsection (c), make grants to national or regional public or private nonprofit organizations which meet the requirements of this section for the provision of technical assistance, and to States and service delivery areas for costs associated with the development and operation of~~

~~model programs approved by the Secretary in accordance with the provisions of this section.~~

~~"(b) APPROPRIATIONS FORMULA.—(1) If the amount appropriated under section 3(b) for any fiscal year exceeds $1,424,000,000 but does not exceed $1,524,000,000 then the lesser of—~~

~~"(A) the amount of such excess, or~~

~~"(B) $10,000,000,~~

~~shall be used for the demonstration programs authorized by this part.~~

~~"(2) If the amount appropriated in any fiscal year exceeds $1,524,000,000 then the lesser of—~~

~~"(A) the amount of such excess, or~~

~~"(B) $20,000,000,~~

~~shall be used for the demonstration programs authorized by this part.~~

~~"(3) This paragraph shall apply notwithstanding any other provision of law enacted after the date of enactment of this Act, including any appropriations Act, unless this subsection is specifically cited in such provision of law.~~

~~"(c) REVIEW PANEL.—(1) The Secretary shall appoint a review panel of recognized experts in the evaluation of employment and training programs for economically disadvantaged youth. Such panel shall select and designate model programs pursuant to the provisions of this section. The~~

~~review panel shall meet at least once each year to carry out the responsibilities described in this section. No member of such panel shall have a direct financial interest in or affiliation with a potential recipient of funds under the program authorized by this section.~~

~~“(2) The review panel shall select and designate model programs and make recommendations to the Secretary regarding those programs the review panel deems likely to be successful in improving the employment prospects of economically disadvantaged youth and which are replicable on a large scale. In selecting such programs the review panel shall consider—~~

~~“(A) the size and scope of the program;~~

~~“(B) the length of time the program has been operating;~~

~~“(C) the nature and reliability of measurable outcomes for the program;~~

~~“(D) the capacity of the sponsoring national or regional organization to provide the technical assistance necessary for States and local communities to replicate the program; and~~

~~“(E) the likelihood the program will be successful in diverse economic, geographic, and cultural environments.~~

~~"(3) Each member of the review panel who is not an officer or employee of the United States shall be compensated at a rate established by the review panel not to exceed the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel-time) during which such member is engaged in the actual performance of duties as a member of the review panel. Each member of the review panel who is an officer or employee of the United States shall receive no additional compensation.~~

~~"(d) Special Consideration.—The review board shall give special consideration to programs that have the demonstrated ability to integrate or coordinate services through collaborative efforts with other service providers in the areas of basic skills instruction, occupational, and pre-employment and work maturity training programs.~~

~~"(e) Criteria for Model Programs.—The review panel shall consider any program for designation as a model program if such program—~~

~~"(1) is designed to improve the employment prospects of economically disadvantaged youth;~~

~~"(2) is sponsored or operated by a national or regional public or private nonprofit organization with the capacity to provide the technical assistance necessary~~

~~to enable States and local communities to implement the program;~~

~~"(3) has demonstrated reasonable evidence of success, as reflected in measurable outcomes related to stated program goals and objectives; and~~

~~"(4) has operated on a scale sufficient to demonstrate that the program has the potential to be replicated across a wide range of sites and successfully serve large numbers of economically disadvantaged youth.~~

~~"(f) APPLICATIONS.—Each public or private nonprofit organization, State, or service delivery area desiring to receive a grant under this Act shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—~~

~~"(1) describe the activities and services for which assistance is sought; and~~

~~"(2) contain such information and assurances as the Secretary may require to ensure compliance with the provisions of this Act.~~

~~"(g) GRANT LIMITATIONS.—(1) In any 3-year period the Secretary shall not approve grants for the same replication activities in more than 10 States or communities. During this 3-year period, the results of such limited replication ef-~~

~~forts shall be carefully evaluated and examined by the review panel, which shall submit recommendations to the Secretary regarding the advisability of replicating the model program in more than 10 States or communities or for longer than 3 years. On the basis of such recommendations, the Secretary shall have authority to replicate such programs in more than 10 communities or for longer than 3 years.~~

~~"(2) Notwithstanding the provisions of paragraph (2), the Secretary may, upon recommendation of the review panel, waive the limitation set forth in paragraph (1) if immediate replication efforts on a larger scale is warranted by extensive evaluation of the program prior to its designation as a model program pursuant to the provisions of this paragraph.".~~

~~(b) TECHNICAL AMENDMENT.—The table of contents in part B of the Act is amended by adding the following after section 257 (as amended in section 13(c)(2)):~~

~~"Sec. 258. Replication of successful programs.".~~

~~SEC. 14. FAIR CHANCE YOUTH EMPLOYMENT AND TRAINING CHALLENGE GRANT.~~

~~(a) IN GENERAL.—Title IV of the Act is amended by adding at the end thereof the following new part H:~~

~~“Part H—Fair Chance Youth Opportunity Challenge Grant~~

~~“STATE ALLOTMENT~~

~~“Sec. 491. (a)(1) The Secretary shall allot for each fiscal year to each State which has submitted a plan under section 493 a portion of the funds appropriated under the authority of section 499 for such fiscal year that bears the same relationship to the total amount of such funds as the youth population of such State bears to the total youth population of the United States.~~

~~“(2)(A) Except as provided in subparagraph (B), the amount allotted to each State under paragraph (1) for each fiscal year shall equal or exceed $250,000.~~

~~“(B) The amount allotted under paragraph (1) for each fiscal year to each of the following shall equal or exceed $125,000: the United States Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.~~

~~“(b)(1) In any fiscal year the amount of funds allotted to a State which can be carried over to the fiscal year following the fiscal year for which the determination is made may not exceed 10 percent of the amount of funds allotted to such State for the year for which such determination is made.~~

~~"(2) The total amount of funds allotted to a State which can be carried forward to the fiscal year following the fiscal year for which the determination is made may not exceed 20 percent of the amount of funds allotted to such State for the year for which such determination is made.~~

~~"(3) In each fiscal year the Governor shall deduct the amount of funds carried over by a State in excess of the limitations imposed by paragraphs (1) and (2) from the allotment for such State for the fiscal year for which the determination is made. Any funds deducted pursuant to this paragraph shall be available for reallocation.~~

~~"(4) The Secretary shall reallot any funds appropriated for a fiscal year under the authority of section 499 that have not been obligated before July 1 of the succeeding fiscal year among those States that have obligated before such date all of such funds allotted to those States. The portion of such funds reallotted to each of such States shall bear the same relationship to the total amount of such funds as the youth population of such State bears to the youth population of such States.~~

~~"(c) In awarding grants under this part the State agency shall give priority to consortia serving demonstration target areas with high proportions of—~~

~~"(1) economically disadvantaged youth;~~

~~"(2) school dropouts;~~

~~“(3) students who are eligible for school lunch or breakfast or education services under chapter 1 of title 1 of the Elementary and Secondary Act of 1965;~~

~~“(4) limited-English proficient students; or~~

~~“(5) juvenile and other youth offenders.~~

~~“(d) The Secretary shall provide for the active consultation and participation of the Secretary of Education in the promulgation of regulations necessary to carry out the provisions of this part.~~

~~“GRANTS~~

~~“SEC. 492. The funds allotted to each State under section 491 shall be used by the State agency to provide grants to eligible consortium in the State to pay not more than 50 percent of the costs incurred by such consortium in providing comprehensive education, training, and support services and programs in demonstration target areas to youth living within such demonstration target areas who seek such opportunities.~~

~~“STATE PLAN~~

~~“SEC. 493. The Governor of each State shall submit a 5-year plan to the Secretary for carrying out the provisions of this part. Each such plan shall—~~

~~“(1) designate the State agency responsible for supervising the preparation and administration of the plan;~~

~~“(2) provide for the appointment of an advisory group by the Governor (or the designation of an exist-~~

~~ing State coordinating body which is broadly representative of the education and training resources of the State, including, but not limited to, the State Job Training Coordinating Council) to participate in the development and review of the State's plan, including State officials for education, vocational-technical education, employment and training, and social services, as well as representatives of business, industry, labor, and community-based agencies offering alternative education or training programs;~~

~~"(3) provide for the designation of eligible demonstration target areas within each State which are characterized by chronically low levels of economic activity or a deteriorating economic base which has caused such adverse effects as—~~

~~"(A) a concentration of unemployed youth which substantially exceeds the average rate of unemployment among youth in the State, or~~

~~"(B) a large concentration of low-income youth and families;~~

~~"(4) provide assurances that the size and scope of the demonstration target area to be served as part of any approved application is calculated to provide access to education, training, and support services to~~

~~youth living in such target area who seeks such opportunities;~~

~~"(5) provide assurance that funds provided under this part will be used to supplement, and not supplant, funding from other local, State, and Federal sources available to youth in demonstration target areas;~~

~~"(6) provide assurances that program activities funded under this part are coordinated with programs in the State operated under the Carl D. Perkins Vocational Education Act, the Adult Education Act, the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, the Rehabilitation Services Act of 1973, the Job Training Partnership Act, the Family Support Act, and with any other relevant employment, training, and education programs available in the State;~~

~~"(7) provide assurances of an opportunity for review and comment of any application under this part by the State Job Training Coordinating Council or the local private industry council(s) serving the demonstration target area prior to approval by the State;~~

~~"(8) provide for the evaluation of the Fair Chance Youth Opportunity Challenge Grant program to determine whether—~~

~~"(A) the increased education, training, counseling, career development, and other support services guaranteed to youth living in demonstration target areas result in increased rates of enrollment, retention, and completion, and~~

~~"(B) the extent to which current programs available to youth in the demonstration target areas are of sufficient number, variety, and quality to meet demand; and~~

~~"(9) provide such information in such form as the Secretary may reasonably require to enable the Secretary to aggregate and analyze data necessary for the completion of the national evaluation of programs funded under this part pursuant to section 497.~~

~~"ELIGIBLE CONSORTIA~~

~~"SEC. 494. (a)(1) Eligible consortia applying for demonstration grants under this part must be broadly representative of the education and training providers of their community. Each such eligible consortia shall consist of—~~

~~"(A) representatives of business, industry, and labor;~~

~~"(B) community-based organizations, including youth-serving organizations;~~

~~"(C) State and local education agencies, including area vocational schools;~~

~~"(D) State and local employment and training agencies;~~

~~"(E) institutions of postsecondary education, including community colleges and vocational-technical education institutes; and~~

~~"(F) residents of demonstration target areas who are typical of youth to be served under this part.~~

~~"(2) An eligible consortia may consist of any existing entity including any community organization or group which meets the representation requirements of subparagraphs (A) through (F) of paragraph (1). Such existing entities may include—~~

~~"(A) local education entities, districts, or areawide councils;~~

~~"(B) community education districts;~~

~~"(C) private industry councils;~~

~~"(D) youth coordinating councils;~~

~~"(E) county or regional economic development authorities; or~~

~~"(F) other appropriate entities which are broadly representative of the public and private education and training resources of the entire community and demonstrate the capacity to carry out the provisions of this part.~~

~~“(b) The State agency designated by the Governor pursuant to section 493(a) shall award at least 1 and not more than 2 eligible consortia assistance under this Act.~~

~~“(c) Eligible consortia that already have programs designed to integrate services available to youth and increase access to programs for youth consistent with the provisions of this part are encouraged to apply to the State agency for assistance under this Act in order to strengthen, enhance, expand, and evaluate such programs and services to both college-bound and non-college-bound youth.~~

~~“(d) States shall encourage consortia to make use of the resources, expertise, and commitment of both formal institutions of education, such as colleges, universities, vocational and technical schools and institutes, and community colleges, as well as such service providers as—~~

~~“(1) community-based organizations providing vocational skills, literacy, remedial education, and general equivalency preparation, including those serving youth with limited English proficiency;~~

~~“(2) youth conservation and human service corps;~~

~~“(3) Job Corps centers;~~

~~“(4) apprenticeship programs; and~~

~~“(5) projects and programs funded under the Job Training Partnership Act.~~

~~"APPLICATION~~

~~"Sec. 495. (a) Any eligible consortium desiring to receive a demonstration grant under this part shall submit an application to the State agency at such time, in such manner, and containing or accompanied by such information as the State agency may reasonably require. Each such application shall—~~

~~"(1) contain a five-year plan for the development and implementation of activities under this part;~~

~~"(2) demonstrate a means to ensure that all youth in a demonstration target area have access to a comprehensive range of education and training opportunities;~~

~~"(3) containing a description of resources available in a demonstration target area from private, local government, State, and Federal sources which will be used in the demonstration program;~~

~~"(4) provide an estimate of the expected number of youth to be served and the total cost thereof;~~

~~"(5) include an estimate of funds required to ensure access to appropriate education, training, and support services for all youth who seek such opportunities;~~

~~"(6) provide outreach, recruitment, and motivational mechanisms to encourage youth within the dem-~~

~~onstration target area to pursue appropriate education and training;~~

~~"(7) provide a case management and career development system to ensure each youth a well-trained and committed career counselor who offers continuous assessment, career information, counseling, placement, follow-up, and advocacy assistance to all participating youth;~~

~~"(8) include a cooperative agreement among youth-serving organizations and public and private agencies within the consortium designed to ensure coordination, pool resources, avoid duplication, and, where feasible, tap the energies and talents of community volunteers of all ages, including adult mentors and students;~~

~~"(9) provide for the maintenance of such information as may be required by the State and Secretary, including data necessary for the national evaluation described in section 497, to ensure that such State and its demonstration grant recipients are complying with the requirements of this part;~~

~~"(10) demonstrate that varied sources of funding will be fully utilized and effectively coordinated within the demonstration target area;~~

~~"(11) where appropriate, provide for the sharing of facilities, equipment, and resource materials among consortia members;~~

~~"(12) establish outcomes for participating youth and specify accountability measures for assessing such outcomes; and~~

~~"(13) demonstrate the capability to establish a coordinated and comprehensive program which serves the broadest possible range of youth interests and needs, and simultaneously mobilizes the diverse range of education and training providers in the geographic area.~~

~~"(b) Any application approved by the State agency for the purposes of this part shall be broad enough to support vocational and technical education, skills training, academic remediation, work experience, counseling, career development, and other support services, and shall seek to encourage and increase enrollment in both two- and four-year colleges leading to an associate or baccalaureate degree.~~

~~"USE OF FUNDS, NON-FEDERAL SHARE~~

~~"SEC. 496. (a)(1) No funds provided under this part shall be used by local education agencies to provide educational services to youth enrolled in secondary schools during regular school hours.~~

~~"(2) No funds under this part shall be used for student financial assistance, except to the extent permitted by regulations promulgated by the Secretary. Any such regulations~~

~~shall require documentation of a finding that the lack of such funds prohibits access to needed education or training and that existing Federal, State, and local student financial aid available to youth within the demonstration target area has been fully utilized.~~

~~"(b) The portion of the costs described in section 492(a) that are not paid by a grant provided under that section shall be paid in cash and may include funds from other Federal, State, or local sources including private sector contributions.~~

~~"(c) Not more than 5 percent of funds allotted to each State in any fiscal year under this section 491 may be expended for administrative costs incurred by the State in carrying out the program established under this part.~~

~~"EVALUATION~~

~~"SEC. 497. (a) The Secretary shall provide a thorough, independent evaluation of the various approaches taken by the States in different demonstration programs to assess the outcomes of youth participating in such programs. Evaluation measures may include—~~

~~"(1) enrollment, retention, and completion rates;~~

~~"(2) high school graduation rates;~~

~~"(3) avoidance of anti-social behavior and self-destructive behavior;~~

~~"(4) subsequent employment;~~

~~"(5) continued pursuit of advanced education and training;~~

~~“(6) admission into four-year colleges and universities; or~~

~~“(7) admission into the armed forces, and similar measures.~~

~~“(b) The Secretary shall develop a report detailing the results of the independent evaluation and submit such report to the President and the Congress no later than December 31, 1994, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs funded under this part. Such report should summarize findings concerning—~~

~~“(1) whether, if a combination of education, training, career guidance, counseling, and other support services were made to youth living in designated geographic target areas, the rates of student enrollment, retention, and completion would increase;~~

~~“(2) the extent to which current programs are sufficient in number, variety, and quality to meet demand; and~~

~~“(3) the feasibility of extending access to comprehensive education, training and support services and programs required under this part to all areas of the nation, including possible approaches to the incremental extension of such access over time.~~

~~“DEFINITIONS~~

~~“SEC. 498. As used in this part:~~

~~"(1) The term 'demonstration target area' means a geographic area described in section 493 (3) and (4) that is designated under a plan submitted under section 493.~~

~~"(2) The term 'State agency' means the State agency designated by the Governor of each State responsible for supervising and the preparation and administration of the State plan.~~

~~"AUTHORIZATION OF APPROPRIATIONS~~

~~"SEC. 499. There are authorized to be appropriated to carry out the provisions of this Act—~~

~~"(1) $100,000,000 for fiscal year 1990,~~

~~"(2) $150,000,000 for fiscal year 1991,~~

~~"(3) $200,000,000 for fiscal year 1992,~~

~~"(4) $250,000,000 for fiscal year 1993, and~~

~~"(5) such sums as may be necessary for fiscal year 1994.".~~

~~(b) TECHNICAL AMENDMENT.—Section 3(a)(1)(B) of the Act (as amended by section 2 of this Act) is further amended by adding "and part H" after "part B".~~

~~(c) TABLE OF CONTENTS.—The table of contents of the Act is amended by adding after "Sec. 481. Affirmative action." the following:~~

~~"PART H—YOUTH OPPORTUNITY DEMONSTRATION GRANT~~

~~"Sec. 491. State allotment.~~
~~"Sec. 492. Grants.~~
~~"Sec. 493. State plan.~~

~~“Sec. 404. Eligible consortia.~~
~~“Sec. 405. Application.~~
~~“Sec. 406. Use of funds; non-Federal share.~~
~~“Sec. 407. Evaluation.~~
~~“Sec. 408. Definitions.~~
~~“Sec. 409. Authorization of appropriations.”.~~

~~**SEC. 15. NATIONAL COMMISSION FOR EMPLOYMENT POLICY.**~~

~~(a) NATIONAL COMMISSION FOR EMPLOYMENT POLICY.—Title IV of the Act is amended by striking part F.~~

~~(b) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 3(a)(2) of the Act is amended by striking “(E), (F), and (G)” and inserting in lieu thereof “(E) and (G)”.~~

~~(2) Section 3(a)(3) of the Act is amended to read as follows:~~

~~“(3) Of the amounts so reserved under paragraph (2), 5 percent shall be available for part C of title IV.”.~~

~~(c) TECHNICAL AMENDMENT.—The table of contents of the Act is amended by striking part F and all that follows through item relating to section 475.~~

SECTION 1. SHORT TITLE.

This Act may be cited as the “Job Training and Basic Skills Act of 1989”.

TITLE I—ADULT AND YOUTH EMPLOYMENT AND TRAINING PROGRAMS AMENDMENTS

SEC. 101. STATEMENT OF PURPOSE.

Section 2 of the Job Training Partnership Act (hereinafter referred to as the “Act”) is amended to read as follows:

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"SEC. 2. It is the purpose of the Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the workforce and enhancing the productivity and competitiveness of the Nation.".

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION FOR ADULT AND YOUTH PROGRAMS.—Section 3(a)(1) of the Act is amended by—

(1) inserting "(A)" after the paragraph designation;

(2) striking "There" and inserting in lieu thereof "Except as provided in subparagraph (B), there";

(3) striking the words "part B" and inserting "parts B, H, I and J"; and

(4) inserting the following new subparagraph:

"(B) There are authorized to be appropriated $1,223,000,000 for fiscal year 1990 to carry out the provisions of part A of title II of this Act.".

(b) RESERVATION.—Section 3(a)(3)(B) is amended by striking "$2,000,000" and inserting "$1,000,000".

(c) AUTHORIZATION FOR YOUTH PROGRAMS.—(1) Section 3(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated $1,574,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part B of title II of this Act.".

(2) Section 3(d) of the Act is amended by—

(A) inserting "(1)" after the subsection designation; and

(B) inserting the following new paragraphs after paragraph (1) (as redesignated in subparagraph (A):

"(2) There are authorized to be appropriated $10,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part H of title IV.

"(3) There are authorized to be appropriated $25,000,000 for fiscal year 1990, $50,000,000 for fiscal years 1991, and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part I of title IV.

"(4) There are authorized to be appropriated $15,000,000 for fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out the provisions of part J of title IV.".

(d) TITLE V.—Section 3(e) of the Act is amended by—

(1) striking paragraph (2); and

(2) redesignating paragraph (3) as paragraph (2).

SEC. 103. DEFINITIONS.

(a) IN GENERAL.—Section 4 of the Act is amended—

(1) by amending paragraph (3) to read as follows:

"(3) The term 'basic skills deficient' means reading or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion referenced test.".

(2) in paragraph (5) by inserting "Association of Farmworkers Opportunity Programs, literacy organizations," after "United Way of America,";

(3) in paragraph (8)(B)(i) by striking "level determined in accordance with criteria established by the Director of the Office of Management and Budget" and inserting in lieu thereof "income guidelines promulgated each year by the Secretary of Health and Human Services";

(4) in paragraph (8)(D) by inserting "subsections (a) and (c) of" after "under"; and

(5) in paragraph (8)(F) by striking "adult handicapped individual" and inserting "individual with a disability (adult or youth)";

(6) in paragraph (10) by striking "handicapped individual" and inserting "individual with a disability";

(7) in paragraph (22) by striking "Trust Territory of the Pacific Islands" and inserting in lieu there-

of "Freely Associated States and the Republic of Palau";

(8) in paragraph (24) by—

(A) inserting "drug and alcohol abuse counseling and referral, individual and family counseling," after "health care,"; and

(B) striking "materials for the handicapped," and inserting "materials for individuals with disabilities, job coaches,";

(9) by striking paragraph (29) and inserting in lieu thereof the following:

"(29) The term 'displaced homemaker' means an individual who has been providing unpaid services to family members in the home and who—

"(A) has been dependent either—

"(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601–618), or

"(ii) on the income of another family member but is no longer supported by that income, and

"(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment."; and

(10) by adding the following new paragraphs after paragraph (29):

"(30) The term 'family' means one or more persons living in a single residence as of the date of application for assistance under this Act who are related to each other by blood, marriage, or adoption.

"(31) The term 'long term recipient' means an individual who has—

"(A) received cash payments made pursuant to part A of title IV of the Social Security Act (relating to the aid to families with dependent children program);

"(B) received general welfare assistance to Indians, as provided pursuant to the Act of November 2, 1921 (25 U.S.C. 13), commonly referred to as the Snyder Act;

"(C) received cash assistance and medical assistance for refugees made available pursuant to section 412(e) of the Immigration and Nationality Act; or

"(D) applied for and received benefits offered pursuant to title XVI of the Social Security Act (relating to supplemental security income programs) and title II of such Act (relating to Social Security Disability Insurance);

for 36 months during the 60-month period immediately preceding application for programs offered under this title.

"(32) The term 'educational agency' means—

"(A) a public local school authority having administrative control of elementary, middle or secondary schools or providing adult education;

"(B) a public or private institution which provides alternative middle or high school education;

"(C) any public education institution or agency having administrative control of secondary or post-secondary vocational education programs;

"(D) any institution legally authorized to provide post-secondary education; or

"(E) any post-secondary educational institution operated by or on behalf of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934.

"(33) The term 'school dropout' means an individual who is no longer attending any school nor subject to a compulsory attendance law and who has not

received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

"(34) The term 'JOBS' means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act.

"(35) The term 'hard-to-serve individuals' means individuals who meet at least 2 of the following criteria:

"(A) long-term recipient,

"(B) school dropout,

"(C) unemployed for 6 months or longer,

"(D) individual with a disability,

"(E) offender,

"(F) displaced homemaker, or

"(G) homeless.".

(b) TECHNICAL AMENDMENT.—Section 502 of the Act is amended by—

(1) striking paragraph (3); and

(2) redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively.

(c) CONFORMING AMENDMENT.—Section 423(1) of the Act is amended by striking "handicapped individual" and inserting "'individual with a disability";

SEC. 104. PRIVATE INDUSTRY COUNCILS.

(a) COMPOSITION AMENDMENTS.—(1) Section 102(a) of the Act is amended—

(A) by striking "and" at the end of paragraph (1); and

(B) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) representatives of organized labor, and representatives of community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

"(3) representatives of each of the following:

"(A) educational agencies (representative of all educational agencies in the service delivery area);

"(B) vocational rehabilitation agencies;

"(C) public assistance agencies;

"(D) economic development agencies; and

"(E) the public employment service.".

(2) Section 102(c)(2) of the Act is amended to read as follows:

"(2) Education representatives on the council shall be selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of higher education (including entities offering

adult education) or general organizations of such schools and institutions within the service delivery area.".

(3) Section 102(c)(3) of the Act is amended to read as follows:

"(3) The labor representatives on the council shall be selected from individuals recommended by recognized State and local labor organizations. If the State or local labor organization cannot adequately meet the labor representation on the private industry council then individual workers may be included on the council to complete the labor representation.

"(4) The remaining members of the council shall include additional representatives from all sectors represented on the council and from individuals recommended by interested organizations.".

(b) EFFECTIVE DATE.—No private industry council shall be considered to be in violation of the amendments made by subsection (a) of this section until 3 years after the date of enactment of this Act.

SEC. 105. JOB TRAINING PLAN.

(a) IN GENERAL.—Section 104(a) of the Act is amended by inserting "under title II" after "appropriated".

(b) CONTENTS.—Section 104(b) of the Act is amended to read as follows:

"(b) Each job training plan for the programs conducted for adults under part A of title II and for youth under part B of title II shall contain—

"(1) identification of the entity or entities which will administer the program and be the grant recipient of funds from the State;

"(2) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of the service delivery program with other programs and service providers in the labor market area, including—

"(A) assessments of needs and problems in the labor market that form the basis for program planning;

"(B) provisions for ensuring access by program participants in the service delivery area to skills training and employment opportunities throughout the entire labor market; and

"(C) coordination or joint implementation of job development, placement, and other employer outreach activities;

"(3) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

"(4) a description of cooperative arrangements designed to enhance the provision of services, including—

"(A) agreements with educational agencies;

"(B) arrangements with other education, training and employment programs serving the disadvantaged which are authorized by Federal law; and

"(C) efforts to ensure the effective delivery of services to participants in coordination with local welfare agencies, other local agencies, community-based organizations, volunteer groups, business and labor organizations, and other training, education, employment, and social service programs;

"(5) goals and objectives for the programs, including—

"(A) a description of how the program will contribute to the economic self-sufficiency of participants, and the productivity of the local area and the Nation; and

"(B) performance goals established in accordance with standards prescribed under section 106;

"(6) goals for the training and placement of older individuals, displaced homemakers and other targeted

populations, and a description of efforts to be undertaken to accomplish such goals, including—

"(A) efforts to expand outreach to older individuals, displaced homemakers, and other targeted populations who may be eligible for services under this Act, and

"(B) efforts to expand awareness of training and placement opportunities for older individuals, displaced homemakers, and other targeted populations;

"(7) adult and youth budgets for two program years and any proposed expenditures for the succeeding two program years, in such detail as is determined necessary by the entity selected to prepare this portion of the plan pursuant to section 103(b)(1)(B) and to meet the requirements of section 108;

"(8) procedures for identifying and selecting participants, and procedures for determining eligibility and methods used to verify eligibility;

"(9) a description of—

"(A) the assessment process that will identify each participant's skill levels and service needs;

"(B) the competency levels to be achieved by participants as a result of program participation;

"(C) a description of the services to be provided, including the estimated duration of service and the estimated training cost per participant; and

"(D) the procedures for evaluating the progress of participants in achieving competencies;

"(10) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training, basic skills training, or related activities, fiscal accountability, and ability to meet performance standards, and the ability to provide services that can lead to achievement of competency standards for participants with identified deficiencies;

"(11) fiscal control (including procurement, monitoring and management information systems requirements), and accounting, audit and debt collection procedures to assure the proper disbursal of, and accounting for, funds received under title II; and

"(12) procedures for the preparation and submission of an annual report to the Governor which shall include—

"(A) a description of activities conducted during the program year;

"(B) characteristics of participants;

"(C) the extent to which applicable performance standards are met;

"(D) the extent to which the service delivery area has met its goals for the training and placement of older individuals, displaced homemakers and other targeted populations; and

"(E) a description of the number of older individuals, displaced homemakers and other targeted individuals trained and placed in unsubsidized employment, the socioeconomic characteristics of such older individuals, displaced homemakers and other targeted populations participating in the program, and wage and placement outcomes, including the extent to which such older individuals were placed in part-time employment, and the type of training received.".

SEC. 106. REVIEW AND APPROVAL OF PLAN.

Section 105(a)(1)(B)(ii) of the Act is amended by inserting "community based organizations and" after "appropriate".

SEC. 107. PERFORMANCE STANDARDS.

(a) PERFORMANCE STANDARDS.—Section 106(a)(2) of the Act is amended to read as follows:

"(2) the criteria for measuring the basic return on the investment shall include indicators of long-term

economic self-sufficiency as measured by increased educational attainment and occupational skills, increased employment and earnings, and reduction in welfare dependency.".

(b) MEASUREMENT OF PERFORMANCE STANDARDS.—Section 106(b) of the Act is amended to read as follows:

"(b)(1) In order to determine whether the basic measures specified in subsection (a) are achieved for programs under parts A and B of title II, the Secretary, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall prescribe performance standards.

"(2) The standards for adult programs under part A of title II shall be based on appropriate factors which may include—

"(A) placement in unsubsidized employment,

"(B) retention for more than 6 months in unsubsidized employment,

"(C) the increase in earnings, including hourly wages,

"(D) the attainment of basic skills and workplace competencies required to ensure continued employability in the local labor market, the acquisition of a high school diploma or a general equivalency diploma, and

"(E) the reduction in welfare payments.

"(3) In addition to the appropriate utilization of the factors described in paragraph (2), the standards for youth programs under part B of title II shall include—

"(A) attainment of employment competencies,

"(B) elementary, secondary, and postsecondary school completion or the equivalent thereof, and

"(C) enrollment in other training programs or apprenticeships, or enlistment in the Armed Forces.

The Secretary may prescribe variations in the standards set forth in this paragraph to reflect the differences between in-school and out-of-school programs.

"(4) The private industry council, in consultation with the educational agencies, community-based organizations and the private sector, shall determine the levels for youth and adult competency standards based on such factors as entry skill levels and other hiring requirements.

"(5) The standards shall include provisions governing—

"(A) the base period prior to program participation that will be used;

"(B) a representative period after termination from the program that is a reasonable indicator of post-program earnings and cash welfare payment reductions; and

"(C) cost effective methods for obtaining such data as is necessary to carry out this subsection, which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.

"(6) The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures.

"(7) From funds available pursuant to the provisions of sections 202(d)(2)(C) and 252(d)(2)(C), each Governor shall award incentive funds to service delivery areas conducting programs under title II for achieving performance standards (except for standards relating to costs) based on factors designated by the Secretary, which shall include—

"(A) the extent to which hard-to-serve individuals and target groups are successfully served, and

"(B) the quality of service, such as the type or intensity of service provided.

"(c)(1) The Secretary shall prescribe performance standards for programs under title III based on participant placement and retention in unsubsidized employment.

"(2) Any performance standard that may be prescribed under paragraph (1) of this subsection for programs under title III shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

"(d) Each Governor shall prescribe, within parameters established by the Secretary, variations in the standards issued under subsections (b) and (c) based upon specific economic, geographic, and demographic factors in the State and in service delivery areas and substate areas within the State, the characteristics of the population to be served, the demonstrated difficulties in serving the population, and the type of services to be provided.

"(e) The Governor may prescribe performance standards for programs under titles II and III in addition to those standards established by the Secretary under subsections (b) and (c).

"(f) The Secretary shall prescribe performance standards for programs under parts A, B and J of title IV.

"(g) The Secretary shall prescribe a system for adjustments in performance standards for target populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between

August 5, 1964, and May 7, 1975, offenders, and displaced homemakers, taking into account their special circumstances.

"(h)(1) The Secretary may modify the performance standards under this section not more often than once every two program years and such modifications shall not be retroactive.

"(2) Notwithstanding paragraph (1), the Secretary may modify standards relating to programs under part B of title IV each program year.

"(3) The Secretary shall prepare and submit a report to the Congress containing any modifications established under paragraph (1), and the reasons for such modifications.

"(i) The National Commission on Employment Policy shall—

"(1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (d),

"(2) evaluate the usefulness of such standards as measures of desired performance, and

"(3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served in service delivery areas, what services are provided, and the costs of such services in service delivery areas.

"(j)(1) The Governor shall provide technical assistance to service delivery areas and substate areas within the State which do not meet performance standards. If the failure to meet performance standards persists for a second year, the Governor shall impose a reorganization plan. Such plan may restructure the private industry council, prohibit the use of designated service providers or make such other changes as the Governor deems necessary to improve performance. The Governor may also select an alternate entity to administer the program for the service delivery area or substate area.

"(2) The alternate administrative entity may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area or substate area.

"(3) No change may be made under this subsection without an opportunity for a hearing before a hearing officer.

"(4) The decision of the Governor may be appealed to the Secretary, who shall make a final decision within 60 days of the receipt of the appeal.".

SEC. 108. SELECTION OF SERVICE PROVIDERS.

Section 107 of the Act is amended by adding at the end thereof the following new subsections:

"(e) The selection of service providers shall be made on a competitive basis to the maximum extent possible, and shall include at a minimum—

"(1) a determination of the ability of the service provider to meet program design specifications established by the administrative entity that take into account the purpose of the Act and the goals established by the Governor in the Coordination and Special Services Plan; and

"(2) documentation of compliance with procurement standards established by the Governor, including the reasons for selection. Specific justification must be provided whenever a sole source procurement is awarded.

"(f) In the selection of service providers to serve older individuals, displaced homemakers, and other targeted populations, the service delivery area shall give priority to those agencies and organizations that have a record of demonstrated effectiveness in serving such older individuals, displaced homemakers and other targeted populations.".

SEC. 109. LIMITATION ON CERTAIN COSTS.

(a) LIMITATION ON CERTAIN COSTS.—Section 108(a) of the Act is amended to read as follows:

"(a) In General.—(1) Except as provided in section 141(d)(3), funds expended for allowable activities under this Act shall be charged to appropriate cost categories.

"(2) For programs under this Act, administration does not include the cost of activities directly related to the provision of services to eligible individuals.".

(b) Special Rule.—Section 108(b) of the Act is amended to read as follows:

"(b)(1) Of the funds available to a service delivery area for any fiscal year under parts A and B of title II—

"(A) not more than 15 percent shall be expended for administration; and

"(B) not more than 35 percent shall be expended for administration and costs specified in paragraph (2).

"(2) For purposes of paragraph (1)(B), the costs specified in this paragraph are—

"(A) 50 percent of work experience expenditures under part A of title II;

"(B) 50 percent of work experience expenditures under part B of title II that are used to provide work experience in excess of 250 hours for a participant during nonsummer months;

"(C) supportive services; and

"(D) needs-based payments and performance-based incentives to participants.

"(3) For purposes of paragraph (1), each service delivery area shall ensure that for all services provided to participants through contracts, grants, or other agreements with a local provider, such contract, grant, or agreement shall include proportionate amounts necessary for administrative costs and supportive services.".

(c) LIMITATION.—Section 108 of the Act is further amended by—

(1) redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) inserting the following new subsection (c) after subsection (b):

"(c)(1) Notwithstanding the 15 percent limitation contained in subsection (b)(1)(A), up to 20 percent of the funds available to a service delivery area for any fiscal year under parts A and B of title II may be expended for administration if the following conditions are met:

"(A) the request for the increase in administrative costs and the need for the increase is justified in the job training plan (or modification thereof); and

"(B) the need for the additional costs is related to—

"(i) outreach and recruitment of hard-to-serve populations; or

"(ii) innovative or extensive arrangements of linkages with other programs and organizations.

"(2) Notwithstanding the 35 percent limitation contained in subsection (b)(1)(B), up to 40 percent of the funds available for any fiscal year under parts A and B of title II may be expended for the costs of administration and the costs specified in subsection (b)(2) if the request for the increase in the limitation is contained in the job training plan (or modification thereof) and a request for an increase in the administration cost limitation pursuant to paragraph (1) is approved.".

(d) EXPENDITURES.—Subsection (d) (as redesignated in subsection (c)(1)) is amended—

(1) in paragraph (1) by inserting "(1)(B)" after "(b)";

(2) in paragraph (2) by inserting "(1)(B)" after "(b)" the first time it appears; and

(3) in paragraph (3) by—

(A) inserting "(1)(B)" after "(b)" the first time it appears; and

(B) striking "(a)" and inserting "(b)(1)(A)".

SEC. 110. SERVICE DELIVERY AREA TRANSFER AND AGREEMENT.

Part A of title I of the Act is amended by adding the following new sections at the end thereof:

"SERVICE DELIVERY AREA TRANSFER AND AGREEMENT

"SEC. 109. (a) Any service delivery area may enter into an agreement with another service delivery area to share the cost of educating, training, and placing individuals participating in programs assisted under this Act, including the provision of supportive services. Such agreement shall be approved by an individual representing each private industry council providing guidance to the service delivery area.

"(b) Each service delivery area entering into a service delivery area agreement pursuant to this section shall be credited under the appropriate performance standards.

"REALLOTMENT

"SEC. 110. (a) The Secretary is authorized to reallot among States any amounts allotted under parts A and B of title II to the extent that the Secretary determines that the State or one of the State's service delivery areas will not be able to spend such amounts within a reasonable period of time.

"(b)(1) The Secretary shall provide 30 days advance notice to the Governor and to the general public of any reallotment. During such period comments may be submitted to the Secretary.

"(2) After considering any comments submitted during such period, the Secretary shall notify the Governor of any decision to reallot funds, and shall publish such decision in the Federal Register.

"(3) In realloting any funds the Secretary shall give priority to States and service delivery areas which have satisfactorily spent the previous fiscal year's allotment and which have experienced high rates of unemployment for an extended period of time.".

(b) TECHNICAL AMENDMENT.—The table of contents of the Act is amended by adding after "Sec. 108. Limitation on certain costs." the following:

"Sec. 109. Service delivery area transfer and agreement.
"Sec. 110. Reallotment.".

SEC. 111. GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN.

(a) IN GENERAL.—Section 121(b) of the Act is amended by—

(1) amending paragraph (1) by inserting the following new sentence after the first sentence: "The Governor's coordination and special services plan shall also include criteria for coordinating Job Training Partnership Act activities with programs and services provided by State and local agencies on aging, and programs operated under title V of the Older Americans Act.

(2) amending paragraph (2) to read as follows:

"(2) The plan shall describe the measures taken by the State to ensure coordination and avoid duplication of programs between the State agencies administering the JOBS program and programs under title II in the planning and delivery of services. The plan shall describe the procedures developed by the State to ensure that the State JOBS plan is consistent with the coordination criteria specified in the plan and shall identify the procedures developed to provide for the review of the JOBS plan by the State Job Training Coordinating Council.";

(3) redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively;

(4) inserting the following new paragraph after paragraph (2):

"(3) The plan shall describe the projected use of resources, including oversight of program performance, program administration, program financial management, capacity building, priorities and criteria for State incentive grants, and performance goals for State supported programs. The description of capacity building shall include the Governor's plans for research and demonstration projects, technical assistance for service delivery areas and service providers, interstate techni-

cal assistance and training arrangements, and other coordinated technical assistance arrangements for service delivery areas and service providers pursuant to the direction of the Secretary."; and

(5) amending paragraph (4) (as redesignated in paragraph (2)) by—

(A) striking "and" at the end of subparagraph (A);

(B) striking the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon and "and"; and

(C) inserting at the end thereof the following new subparagraph (C):

"(C) services to older workers, including plans for facilitating the provision of services across service delivery areas within the State, as provided in section 104(b)(9).".

(b) COORDINATION AND SPECIAL SERVICES ACTIVITIES.—Section 121(c) is amended—

(1) in paragraph (7) by inserting after the paragraph designation the following: "coordination of activities relating to part A of title II with";

(2) by striking "and" at the end of paragraph (9);

(3) by striking the period at the end of paragraph (10) and inserting in lieu thereof a semicolon and "and"; and

(4) by inserting the following new paragraph at the end thereof:

"(11) initiatives undertaken pursuant to the State innovation and coordination program set forth in part C of title II.".

SEC. 112. REPEALERS.

(a) IN GENERAL.—Sections 123 and 124 of the Act are repealed.

(b) REDESIGNATION.—Sections 125, 126, and 127 of the Act are redesignated as sections 123, 124, and 125, respectively.

(c) TECHNICAL AMENDMENT.—The table of contents relating to part B of title I is amended by—

(1) striking the items relating to sections 123 and 124; and

(2) redesignating the items relating to sections 125, 126, and 127 as the items relating to sections 123, 124, and 125, respectively.

SEC. 113. GENERAL PROGRAM REQUIREMENTS.

(a) IN GENERAL.—Section 141(d)(3) of the Act is amended by—

(1) inserting "(A)" after the paragraph designation; and

(2) inserting the following new subparagraph:

"(B) Tuition charges for training or education provided by an institution of higher education or post-secondary institution which are not more than the charges for such training or education made available to the general public do not require a breakdown of cost components.".

(b) LIMITATION.—Section 141(g) of the Act is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) inserting the following new paragraph (2):

"(2) On-the-job training authorized under the Act shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed 6 months. In making this determination, consideration shall be given to recognized reference material, the content of the participant's training, and the participant's service strategy.".

(c) PUBLIC SERVICE EMPLOYMENT.—Section 141(p) of the Act is amended by striking "part B of this title or part A of".

SEC. 114. FISCAL CONTROLS; SANCTIONS.

Section 164(a) of the Act is amended to read as follows:

"(a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under titles II and III.

"(2) The Governor shall establish procurement standards to ensure that, for States, substate areas, and service delivery areas—

"(A) procurements, to the maximum extent possible, shall be competitive, except where sole source is specifically justified;

"(B) procurements shall include an analysis of the reasonableness of costs in the contract;

"(C) local written selection procedures shall be established prior to seeking or considering proposals;

"(D) all deliverables and the basis of payment shall be specified in the contract; and

"(E) grant recipients conduct oversight to ensure compliance with procurement standards.".

SEC. 115. REPORTS, RECORDKEEPING, AND INVESTIGATIONS.

Section 165(c) of the Act is amended by—

(1) striking ", and" at the end of paragraph (1), and inserting in lieu thereof a semicolon;

(2) striking the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(3) inserting the following new paragraph:

"(3) monitor the performance of service providers in complying with the terms of grants, contracts, or other agreements made pursuant to this Act.".

SEC. 116. ESTABLISHMENT OF ADULT OPPORTUNITY PROGRAM.

(a) IN GENERAL.—Part A of title II of the Act is amended to read as follows:

"PART A—ADULT OPPORTUNITY PROGRAM

"STATEMENT OF PURPOSE

"SEC. 201. It is the purpose of this part to establish programs to prepare adults for participation in the labor force by increasing occupational and educational skills resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

"ALLOTMENT

"SEC. 202. (a) Not more than one quarter of one percent of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau and the Commonwealth of the Northern Mariana Islands.

"(b) Of the amount available to carry out the provisions of this part that remains after the allotment is made under

subsection (a), the Secretary shall reserve not more than 5 percent to carry out part C of this title.

"(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 91 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. Each State shall allocate such funds to the service delivery areas in such amounts as determined by the Secretary pursuant to paragraph (2). The remaining 9 percent shall be allotted in accordance with subsection (d).

"(2) Subject to the provisions of paragraph (3), of the amounts allotted to services delivery areas under this subsection for each fiscal year—

"(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each service delivery area as compared to the total number of economically disadvantaged adults in all service delivery areas in all States;

"(B) 25 percent shall be allotted on the basis of the relative concentration of economically disadvantaged adults within each service delivery area as compared to the total concentration of economically disadvantaged adults in all service delivery areas in all States; and

"(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals who reside in each service delivery area as compared to the total number of unemployed individuals in all service delivery areas in all States.

"(3)(A) No service delivery area shall be allocated less than 90 percent, or more than 115 percent, of its allocation percentage under this part for the fiscal year preceding the fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(a) are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

"(B)(i) Except as otherwise provided in this subparagraph, the allocation percentage for a service delivery area is the percentage which the service delivery area received of the total amount allocated under this part for such fiscal year to all service delivery areas in all States.

"(ii) The allocation percentage for fiscal year 1990 shall be the percentage of funds allocated for adult programs under title II to the service delivery area during the preceding fiscal year.

"(C) Notwithstanding subparagraph (A), the total allocation under this subsection for all service delivery areas within any one State for each fiscal year shall not be less

than one-quarter of 1 percent of the total amounts available for allotment under this subsection for such fiscal year.

"(D) The private industry council in each service delivery area may reserve not more than 10 percent of the funds received under this part for experimental programming for hard-to-serve individuals. The Comptroller General shall conduct a study to review and assess such experimental programs and post program results and shall submit the findings to the appropriate committees of Congress before September 30, 1994.

"(4) For the purposes of this section—

"(A) the term 'economically disadvantaged' means an adult who has attained 22 years of age but not 73 years of age, and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level. For purposes of this subparagraph, and to the extent practicable, the Secretary shall exclude college students and members of the armed forces from the number of economically disadvantaged individuals;

"(B) the term 'concentration' means the number of economically disadvantaged adults in excess of 10

percent of the adult population in the service delivery area.

"(d)(1) Subject to the provisions of section 453(e)(5), the remainder available for allotment under this part shall be allotted to the States for the activities described in paragraph (2). The allotment to each State shall be based upon the relative amount of funds available to service delivery areas within such State under subsection (c) as compared to the total amount of funds available to all service delivery areas in all States under subsection (c).

"(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

"(A) four-ninths shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122 of the Act;

"(B) two-ninths shall be available for technical assistance in developing the overall capability of the job training system within the State, including the development and training of State and local service delivery area staff, service provider staff, the development of information and exemplary program activities, and the conduct of research and other activities designed to improve the level, degree, and goals of programs conducted under this Act; and

"(C) three-ninths shall be available to provide incentive grants authorized under section 106(b)(7).

"(e)(1) For fiscal years 1990, 1991, and 1992, the total of the amounts allotted to any State under subsections (c) and (d) and available to such State under subsection (b) shall not be less than 100 percent of the amount allotted to such State to carry out adult programs under title II in fiscal year 1989.

"(2) The Secretary shall ratably adjust the amounts allotted under subsections (c) and (d) and available under subsection (b) to carry out the requirements of paragraph (1). In making such adjustments, the requirements of subsection (c)(3)(A) shall remain applicable.

"ELIGIBILITY FOR SERVICES

"SEC. 203. (a)(1) An individual shall be eligible to participate in the program under this part only if such individual is—

"(A) 22 years of age or older; and

"(B) economically disadvantaged.

"(2) Not less than 70 percent of the participants in a program under this part in each service delivery area shall be individuals who, in addition to meeting the requirements of paragraph (1), are included in one or more of the following categories:

"(A) basic skills deficient;

"(B) school dropout;

"(C) recipients of aid to families with dependent children who either meet the requirements of section 403(l)(2)(B) of the Social Security Act or have been provided an employability plan in accordance section 482(b) of the Social Security Act;

"(D) individual with disabilities;

"(E) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

"(F) unemployed for the previous 6 months or longer; and

"(G) offender.

"(3)(A) Not more than 10 percent of all participants in programs assisted under this part in each service delivery area may be individuals who are not economically disadvantaged if such individuals are age 22 or older and experience 2 or more barriers to employment. Such barriers may include, but are not limited to, the categories described in paragraph (2), or categories such as individuals with limited English proficiency, displaced homemakers, older workers, veterans, alcoholics or addicts.

"(4) Not less than 5 percent of participants in programs under this part in each service delivery area shall be individuals ages 55 or older.

"(b) A service delivery area may transfer not more than 10 percent of the funds provided under this part to part B of this title for youth programs if a description of such transfer is included in the job training plan pursuant to section 104 and the Governor approves the transfer pursuant to section 105.

"PROGRAM DESIGN

"SEC. 204. (a) PROGRAM DESIGN.—(1) The program assisted under this part shall include—

"(A) an assessment of each participant's skill levels and service needs, including such factors as basic skills, occupational skills, prior work experience, and supportive service needs, provided that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program;

"(B) development of service strategies which shall identify the employment goal, the appropriate achievement objectives, and the appropriate sequence of services for participants taking into account the assessments conducted pursuant to paragraph (1);

"(C) a review of each participant's progress in meeting the objectives of the service strategy; and

"(D) the following services, to be made available to a participant where the assessment and the service strategy indicate such services are appropriate:

"(i) basic skills training; and

"(ii) occupational skills training.

"(b) ADDITIONAL SERVICES.—Subject to the limitations contained in subsection (c), services which may be made available to each participant under this part may include, but are not limited to—

"(1) outreach to make individuals aware of, and encourage the use of, employment and training services;

"(2) literacy and bilingual training;

"(3) on-the-job training;

"(4) education-to-work transition activities;

"(5) work experience;

"(6) vocational exploration;

"(7) pre-apprenticeship programs;

"(8) attainment of certificates of high school equivalence;

"(9) skill upgrading and retraining;

"(10) on-site industry specific training programs supportive of industrial and economic development;

"(11) programs which combine workplace training with related instruction;

"(12) entrepreneurial training;

"(13) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment;

"(14) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment and personnel to train workers in occupations for which demand exceeds supply;

"(15) supportive services;

"(16) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training;

"(17) coordinated programs with other Federal employment-related activities;

"(18) counseling;

"(19) job search skills training and assistance;

"(20) job clubs;

"(21) provision of occupational and labor market information;

"(22) specialized surveys not available through other labor market information sources;

"(23) programs to develop work habits and other services to individuals to help them obtain and retain employment;

"(24) development of job openings;

"(25) disseminating information on program activities to employers;

"(26) need-based payments;

"(27) case management services;

"(28) job placement; and

"(29) post-program follow-up services.

"(c)(1) Basic skills training authorized under this part shall, where appropriate, have a workplace context and be integrated with occupational skills training.

"(2)(A) Except as provided in subparagraph (B), job search, job search skills training, job clubs, and work experience authorized under this part shall be accompanied by other services designed to increase a participant's basic education or occupational skills.

"(B) The program under this part may provide job search, job search skills training and job clubs activities to a participant without the additional services described in subparagraph (A) only if—

"(i) the participant's assessment and service strategy indicate that the additional services are not appropriate; and

"(ii) the activities are not available to the participant through the employment service or other public agencies.

"(3) Needs-based payments authorized under this part shall be limited to payments necessary for participation in the program under this part in accordance with a locally developed formula or procedure.

"(4) Counseling and supportive services authorized under this part may be provided to a participant for a period up to one year after completion of the program.

"COOPERATIVE ARRANGEMENTS

"SEC. 205. (a) In conducting the program under this part, the service delivery area shall establish appropriate cooperative arrangements with other programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

"(1) the Adult Education Act;

"(2) the Carl D. Perkins Vocational Education Act;

"(3) the Wagner-Peyser Act;

"(4) part F of title IV of the Social Security Act;

"(5) the employment program established pursuant to section 6(d) of the Food Stamp Act of 1977;

"(6) the National Apprenticeship Act;

"(7) the Rehabilitation Act of 1973;

"(8) chapter 2 of title II of the Trade Act of 1974; and

"(9) the Stewart B. McKinney Homeless Assistance Act.

"(b) In addition to the cooperative arrangements required under subsection (a), each service delivery area receiving financial assistance under this part shall establish other appropriate cooperative arrangements to enhance the provision of services under this part. Such cooperative arrangements may be established with local educational agencies, local service agencies, public housing agencies, community-based organizations, literacy organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development, and social service programs.

"STUDIES RELATING TO PLACEMENT AND TARGET POPULATIONS

"SEC. 206. (a) The Comptroller General of the United States shall conduct a study to determine how many and what percentage of adults assisted under this part remain employed for at least 9 months after receiving assistance under this part. The Comptroller General shall submit the findings to the appropriate committees of Congress within 2 years of the date of enactment of this Act.

"(b) Not later than December 30, 1992, the Secretary of Labor shall report to Congress regarding the extent to which

older individuals and displaced homemakers are being served under this Act, the socioeconomic characteristics of older individuals and displaced homemakers who are program participants, the effectiveness of the services received, and wage and placement outcomes, including the extent to which older individuals are placed in part-time employment.".

(b) TECHNICAL AMENDMENT.—(1) The part heading relating to part A of title II is amended to read as follows:

"PART A—ADULT OPPORTUNITY PROGRAM"

(2) The table of contents relating to part A of title II of the Act is amended to read as follows:

"Sec. 201. Statement of purpose.
"Sec. 202. Allotment.
"Sec. 203. Eligibility for services.
"Sec. 204. Program design.
"Sec. 205. Cooperative arrangements.
"Sec. 206. Studies relating to placement and target populations.".

SEC. 117. ESTABLISHMENT OF YOUTH OPPORTUNITY PROGRAM.

(a) IN GENERAL.—Part B of title II of the Act is amended to read as follows:

"PART B—YOUTH OPPORTUNITY PROGRAM

"STATEMENT OF PURPOSE

"SEC. 251. The purpose of the programs assisted under this part is to—

"(1) improve the long-term employability of youth;

"(2) enhance the educational and occupational skills of youth;

"(3) encourage school completion or enrollment in alternative school programs;

"(4) increase the employment and earnings of youth;

"(5) reduce welfare dependency; and

"(6) assist youth in addressing problems which impair their ability to make successful transitions from school to work, apprenticeship, the military or postsecondary education and training.

"ALLOTMENT

"SEC. 252. (a) Not more than one-quarter of one percent of the amount appropriated pursuant to section 3(b) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.

"(b) Of the amount available to carry out the provisions of this part that remains after the allotment is made under subsection (a), the Secretary shall reserve not more than 5 percent to carry out part C of this title.

"(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 91 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. Each State shall allocate such funds to the service delivery areas in such amounts as determined by the Secretary pursuant to para-

graph (2). The remaining 9 percent shall be allotted in accordance with subsection (d).

"(2) Subject to the provisions of paragraph (3), of the amounts allotted to service delivery areas under this subsection for each fiscal year—

"(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each service delivery area as compared to the total number of economically disadvantaged youth in all service delivery areas in all States;

"(B) 25 percent shall be allotted on the basis of the relative concentration of the economically disadvantaged youth within each service delivery area as compared to the total concentration of economically disadvantaged youth in all service delivery areas in all States; and

"(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals who reside in each service delivery area compared to the total number of unemployed individuals in all service delivery areas in all States.

"(3)(A) No service delivery area shall be allocated an amount equal to less than 90 percent, or more than 115 percent, of its allocation percentage for the preceding fiscal year for which the determination is made. If the amounts appro-

priated pursuant to section 3(b) of the Act are not sufficient to provide an amount equal to at least 90 percent of such allocation percentages to each such area, the amounts allocated to each area shall be ratably reduced.

"(B)(i) Except as otherwise provided in this subparagraph, the allocation percentage for a service delivery area for a fiscal year is the percentage which the service delivery area received of the total amount allocated under this part for such fiscal year to all service delivery areas in all States.

"(ii) The allocation percentage for fiscal year 1990 is the percent of the funds allocated for youth programs (as determined by the Secretary) under title II to the service delivery area during the preceding fiscal year.

"(C) Notwithstanding paragraph (1), the total allocation for all service delivery areas within any one State for any fiscal year shall not be less than one-quarter of one percent of the total amounts available for allotment under subsection (c) for such fiscal year.

"(D) The private industry council in each service delivery area may reserve not more than 10 percent of the funds received under this part for experimental programming for groups with special needs and other hard-to-serve individuals. The Comptroller General shall conduct a study to review and assess such experimental programs and post pro-

gram results and shall submit the findings to the appropriate committees of Congress before September 30, 1994.

"(4)(A) For the purposes of this section—

"(i) the term 'economically disadvantaged youth' means an individual who is aged 16 through 21 and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (I) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services or (II) 70 percent of the lower living standard income level;

"(ii) the term 'concentration' means the number which represents the number of economically disadvantaged youth in excess of 10 percent of the youth population in the service delivery area.

"(B) For the purposes of subparagraph (A), and to the extent practical, the term "economically disadvantaged youth" excludes college students and members of the armed services.

"(d)(1) Subject to the provisions of section 453(e)(5), the remainder available for allotment under this part shall be allotted to the States for the activities described in paragraph (2). The allotment to each State shall be based upon the relative amount of funds available to service delivery areas within such State under subsection (c) as compared to the

total amount of funds available to all service delivery areas in all States under subsection (c).

"(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

"(A) four-ninths shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122 of the Act;

"(B) two-ninths shall be available for technical assistance in developing the overall capability of the job training system within the State, including the development and training of State and local service delivery area staff, service provider staff, the development of information and exemplary program activities, and the conduct of research and other activities designed to improve the level degree, and goals of programs conducted under this Act; and

"(C) three-ninths shall be available to provide incentive grants authorized under section 106(b)(7).

"(e)(1) For fiscal years 1990, 1991, and 1992 the total of the amounts allotted to any State under subsections (c) and (d) and available to such State under subsection (b) shall not be less than 100 percent of the amount allotted to such State to carry out youth programs under title II in fiscal year 1989.

"(2) The Secretary shall ratably adjust the amounts allotted under subsections (c) and (d) and available under subsection (b) to carry out the requirements of paragraph (1). In making such adjustments, the requirements of subsection (c)(3)(A) shall remain applicable.

"ELIGIBILITY FOR SERVICES

"SEC. 253. (a)(1) An individual who is in school shall be eligible to participate in the program under this part only if such individual is—

"(A) aged 16 through 21;

"(B) except as provided in paragraph (3), economically disadvantaged, is receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965, or is receiving a free lunch under the National School Lunch Act; and

"(C) included in one or more of the following categories:

"(i) basic skills deficient;

"(ii) poor academic and school attendance records as measured by performing at a grade level below the grade level appropriate to such individual's age;

"(iii) pregnant or parenting;

"(iv) exhibiting pattern of disruptive behavior or disciplinary problems;

"(v) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

"(vi) individual with a disability;

"(vii) limited English proficient; and

"(viii) offender.

"(2) an individual who is out of school shall be eligible to participate in the program under this part only if such individual is—

"(A) aged 16 through 21;

"(B) except as provided in paragraph (3), economically disadvantaged; and

"(C) included in one or more of the following categories:

"(i) basic skills deficient;

"(ii) school dropout subject to the conditions described in section 253(c);

"(iii) pregnant or parenting;

"(iv) homeless, as defined by section 103 (a) and (c) of the Stewart B. McKinney Homeless Assistance Act;

"(v) individual with a disability;

"(vi) limited English proficient; and

"(vii) offender.

"(3)(A) Not more than 10 percent of all participants in the programs assisted under this part in each service delivery area may be individuals who do not meet the requirements of paragraph (1)(B) or (2)(B) if such individuals are aged 16 through 21 and experience 2 or more barriers to employment. Such barriers may include, but are not limited to, the categories described in paragraph (1)(C) or (2)(C), or categories such as individuals who are alcoholics or addicts.

"(4) Not less than 50 percent of the participants in the program assisted under this part in each service delivery area shall be out-of-school individuals who meet the requirements of paragraph (2) or (3).

"(b) Eligible individuals aged 14 or 15, or aged 22 through 24, shall, if appropriate, and set forth in the job training plan, be eligible for youth programs under this part.

"(c) In order to participate in a program assisted under this part, an individual who is under the age of 18 and a school dropout shall—

"(A) re-enroll in and attend school;

"(B) enroll in and attend an alternative high school;

"(C) enroll in and attend an alternative course of study approved by the local educational agency;

"(D) enroll in and attend a high school equivalency program; or

"(E) enroll in and attend a community-based learning center with programs designed to result in the attainment of a GED or a high school diploma.

"(d) A service delivery area may transfer not more than 10 percent of the funds provided under this part to part A of this title for adult programs if a description of such transfer is included in the job training plan pursuant to section 104 and the Governor approves the transfer pursuant to section 105.

"PROGRAM DESIGN

"SEC. 254. (a) The program under this part shall be conducted on a year-round basis.

"(b) The program under this part shall include—

"(1) an assessment of each participant's skill levels and service needs including such factors as basic skills, occupational skills, prior work experience, and supportive service needs, provided that a new assessment of a participant is not required where the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program;

"(2) development of service strategies which shall identify achievement objectives, appropriate employment goals, and the appropriate sequence of services for

participants taking into account the assessments conducted pursuant to paragraph (1);

"(3) a review of each participant's progress in meeting the objectives of the service strategy; and

"(4) the following services, to be available to a participant where the assessment and service strategy indicate such services are appropriate:

"(A) basic skills training;

"(B) occupational skills training;

"(C) pre-employment and work maturity skills training;

"(D) work experience combined with skills training; and

"(E) supportive services.

"(c) Services which may be made available to participants under this part may include, but need not be limited to—

"(1) outreach;

"(2) tutoring;

"(3) study skills training;

"(4) instruction for high school completion or certificate of high school equivalency;

"(5) services provided by alternative high schools;

"(6) mentoring;

"(7) individual and group counseling;

"(8) drug and alcohol abuse counseling and referral;

"(9) cash incentives and bonuses based on a participant's attendance and performance in the program;

"(10) compensation in the form of work experience wages;

"(11) services encouraging parental, spousal and other significant adult involvement in the participant's program;

"(12) on-the-job training;

"(13) limited internships in the private sector;

"(14) school-to-work transition services;

"(15) school-to-post secondary education transition services;

"(16) school-to-apprenticeship transition services;

"(17) training or education that is combined with meaningful and constructive community and youth service opportunities in public agencies, nonprofit agencies or other appropriate agencies, institutions and organizations;

"(18) job search, job search skills training and job clubs; and

"(19) needs-based payments.

"(d)(1) In developing service strategies and designing services for the program under this part, the service delivery

area and private industry council shall take into consideration exemplary program strategies and practices.

"(2) Pre-employment and work maturity skills training authorized by this part shall be accompanied by either work experience or other additional services designed to increase a participant's basic or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

"(3) Work experience, job search, job search skills training, and job clubs activities authorized by this part shall be accompanied by additional services designed to increase a participant's basic education or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

"(4) Needs-based payments authorized under this part shall be limited to payments necessary to participate in the program in accordance with a locally developed formula or procedure.

"(5) Counseling and supportive services authorized under this part may be provided to a participant for a period of up to one year after the completion of the program.

"(e)(1) In addition to the services described under subsections (b), (c), and (d), service delivery areas may elect to

use funds available under this part to conduct a summer jobs program component consistent with the following limitations:

"(A) the participating youth service strategy indicates such summer work experience is appropriate; and

"(B) the summer work experience is accompanied by additional education or training in a year-round program.

"(2) The additional education or training provided for in subparagraph (B) may be provided by—

"(A) the year-round program under this part;

"(B) the Jobs Corps;

"(C) the JOBS program;

"(D) alternative or secondary schools; or

"(E) other education and training programs.

"COOPERATIVE ARRANGEMENTS

"SEC. 255. (a) FORMAL AGREEMENTS.—In conducting a program under this part, service delivery areas shall establish cooperative agreements with the appropriate educational agencies responsible for service to participants. Such cooperative arrangements shall include—

"(1) formal agreements with educational agencies that will identify—

"(A) the procedures for referring and serving in-school youth;

"(B) the methods of assessment of in-school youth to be used by the educational agency; and

"(C) procedures for notifying the program when a youth drops out of the school system;

"(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

"(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by educational agencies to out-of-school youth; and

"(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems and needs, including, where appropriate, interim assessment results.

"(b) COOPERATIVE ARRANGEMENTS.—In conducting the program under this part, the service delivery area shall establish appropriate cooperative arrangements with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

"(1) part B of title IV of this Act (the Job Corps);

"(2) parts A through D of chapter 1 of the Elementary and Secondary Education Act of 1965;

"(3) the Carl D. Perkins Vocational Education Act;

"(4) the Education of the Handicapped Act;

"(5) the Wagner-Peyser Act;

"(6) part F of title IV of the Social Security Act (JOBS);

"(7) the Rehabilitation Act of 1973;

"(8) the Food Stamp Act;

"(9) the National Apprenticeship Act; and

"(10) the Stewart B. McKinney Homeless Assistance Act.

"(c) OTHER APPROPRIATE ARRANGEMENTS.—In addition to the cooperative arrangements required under subsections (a) and (b), service delivery areas shall establish other appropriate arrangements to enhance the provision of services under this part. Such arrangements may be established with State and local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and other training, education, employment and social service programs, including programs conducted under part A of title II.".

(b) TECHNICAL AMENDMENT.—(1) The part heading relating to part B of title II is amended to read as follows:

"Part B—Youth Opportunity Program"

(2) The table of contents relating to part B of title II of the Act is amended to read as follows:

"Sec. 251. Statement of purpose.
"Sec. 252. Allotment.
"Sec. 253. Eligibility for services.
"Sec. 254. Program design.
"Sec. 255. Cooperative arrangements.".

SEC. 118. INNOVATION AND COORDINATION GRANTS.

(a) In General.—Title II of the Act is amended by adding the following new part C at the end thereof:

"Part C—State Innovation and Coordination Grants

"STATEMENT OF PURPOSE

"Sec. 261. It is the purpose of this part to increase the State capacity to develop comprehensive and coordinated education, training, and employment goals and strategies for youths and adults at risk of chronic unemployment and welfare dependency.

"PROGRAM AUTHORIZED

"Sec. 262. (a) In General.—(1) The Secretary is authorized to make grants to States to pay the Federal share of the cost of activities described in the State innovation and coordination plan submitted pursuant to section 264.

"(2) The Secretary may award grants for a period of 1 year. Such grant may be renewed for the 2 succeeding fiscal years if the Secretary determines that the conditions of the grant have been met during the previous fiscal year.

"(b) AWARD BASIS.—Upon approval of the State innovation and coordination plan, the Secretary shall award grants on the basis of the relative amount of funds available to service delivery areas within the State under parts A and B of title II as compared to the amount of funds available to all service delivery areas in all States under parts A and B of title II.

"(c) REALLOTMENT.—In any fiscal year in which an amount of funds available under this part remains available due to a State or States not receiving approval of a State innovation and coordination plan, the amount available shall be reallotted as determined by the Secretary to States on the basis of the quality of the State innovation and coordination plan submitted pursuant to section 264.

"USE OF FUNDS

"SEC. 263. (a) IN GENERAL.—The States may use funds provided under this part to—

"(1) establish statewide policies and action strategies to address critical human resource development goals for at-risk populations;

"(2) encourage the use of cooperative and innovative arrangements between various State education, employment, welfare, and social service agencies to address the multi-faceted problems of at-risk youth and adults;

"(3) encourage innovations in program implementation that promote the comprehensive and coordinated delivery of education, training, and employment services for youth and adults at risk of chronic unemployment and welfare dependency; and

"(4) facilitate the development of public-private collaboration to assure private sector employment and continued learning opportunities for economically disadvantaged adults and youth.

"(b) AUTHORIZATION.—The Secretary is authorized to use the sums available pursuant to sections 202(b) and 252(b) to make grants to States under this part.

"(c) LIMITATION ON FEDERAL SHARE.—Of the Federal share of funds available to a State under this part in each fiscal year—

"(1) not more than 15 percent shall be expended on administrative activities.

"(2) not more than 35 percent shall be expended on—

"(A) strategic planning, coordination and other activities designed to facilitate the coordination of the Job Training Partnership Act services with education and other human resource programs,

"(B) improving the Job Training Partnership Act management information systems, and

"(C) strengthening the overall infrastructure of the State employment and training programs; and

"(3) not less than 50 percent shall be expended on training, education, and employment services.

"STATE INNOVATION AND COORDINATION PLAN

"SEC. 264. All States shall be eligible to apply for grants under this part. Each State desiring a grant under this part shall submit a State innovation and coordination plan to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary reasonably requires. Each State innovation and coordination plan shall—

"(1) describe the human resource goals to be achieved by the State and explain how such goals complement or are distinct from the goals of existing programs. Such goals may include—

"(A) reducing the school dropout rate;

"(B) raising the achievement levels of youth;

"(C) reducing illiteracy;

"(D) reducing welfare rates; and

"(E) guaranteeing a job with decent wages, through agreements with private employers, to

every individual completing an education and job training program;

"(2) describe specific activities designed to achieve the goals set forth in paragraph (1) including activities such as statewide school-based comprehensive dropout prevention activities, school-to-work services, apprenticeship services, postsecondary education transition services, or statewide integrated services to offenders;

"(3) identify measurable interim benchmarks toward achieving the goals described in paragraph (1);

"(4) describe how the activities and services for eligible participants will be provided through cooperative arrangements with State and local education and employment agencies, welfare agencies or administrative entities in service delivery areas;

"(5) describe how the activities and services to achieve the goals set forth in paragraph (1) will be coordinated with other Federal programs, such as—

"(A) the Carl D. Perkins Vocational Education Act;

"(B) the Adult Education Act;

"(C) the Wagner-Peyser Act; and

"(D) the Family Support Act; and

"(6) describe the State and the local public and private resources to be committed to achieving the goals identified in paragraph (1).

"REVIEW AND APPROVAL OF STATE INNOVATION AND COORDINATION PLAN

"SEC. 265. The Secretary shall review and approve State innovation and coordination plans for the purposes of awarding grants under this part, taking into consideration—

"(1) the extent to which goals, service strategies and accountability mechanisms will address the problems identified;

"(2) the extent of the resources to be committed from other State and local public and private sources;

"(3) evidence of a commitment to the project by the Governor, the chief executives of State education agencies, State welfare agencies, agencies administering this Act, other State agencies, and representatives of local communities, including local elected officials, private industry councils, schools, welfare agencies and community-based groups as appropriate;

"(4) specific plans for coordinating programs funded under this Act, with other education, employment and training programs, JOBS, the local employment service, and other human resource development programs; and

"(5) the amount of funds which will be used for administrative costs and the extent to which such expenditures will contribute to administrative efficiencies and service improvement.

"PAYMENTS; FEDERAL SHARE

"SEC. 266. (a) PAYMENTS.—The Secretary shall pay to each State the Federal share of the cost of the activities described in the application.

"(b) FEDERAL SHARE.—(1) The Federal share shall be 80 percent.

"(2) The portion of the costs of the program conducted pursuant to this part which is not paid by a grant received under this part shall not be paid from any Federal funds.

"PROGRAM REVIEW AND OVERSIGHT

"SEC. 267. (a) IN GENERAL.—The Secretary is authorized to monitor the progress of all recipients of State Innovation and Coordination Grants.

"(b) OVERSIGHT.—The State Job Training Coordinating Council shall be responsible for overseeing the activities of the State in the performance of activities conducted pursuant to the provisions of this part.

"REPORTS

"SEC. 268. (a) IN GENERAL.—The Secretary shall establish requirements for State reporting on the progress made in accomplishing the goals specified in each State's innovation and coordination plan.

"(b) RECORDS.—Each State receiving a grant under this part shall keep records that are sufficient to permit the preparation of reports on the progress made in achieving the goals of the State as set for this in section 264(1) of this part. The State Job Training Coordinating Council shall semiannually report to the Secretary on the progress made in achieving the goals of the State as set forth in section 264(2) of this part.".

(b) TECHNICAL AMENDMENT.—The table of contents in title II of the Act is amended by adding the following after section 255:

"PART C—STATE INNOVATION AND COORDINATION GRANTS

"Sec. 261. Statement of purpose.
"Sec. 262. Program authorized.
"Sec. 263. Use of funds.
"Sec. 264. State innovation and coordination plan.
"Sec. 265. Review and approval of State innovation and coordination plan.
"Sec. 266. Payments; Federal share.
"Sec. 267. Program review and oversight.
"Sec. 268. Reports.".

SEC. 119. EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS.

Section 314(f) of the Act is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) inserting the following new paragraph after paragraph (1):

"(2) An eligible dislocated worker participating in training (except for on-the-job training) pursuant to this title

shall be deemed to be in training with the approval of the State agency for purposes of section 3304(a)(8) of the Internal Revenue Code of 1986.".

SEC. 120. NATIVE AMERICAN PROGRAMS.

(a) IN GENERAL.—Section 401 of the Act is amended—

(1) in subsection (a), by inserting "American Samoan," after "Alaskan Native,";

(2) in subsection (b)(2), by inserting "and to American Samoans residing in the United States" after "descent";

(3) in subsection (c)(1)(B)—

(A) by inserting "and American Samoans residing in the United States" after "natives"; and

(B) by inserting "and State agencies" after "organizations";

(4) in subsection (e)—

(A) by inserting "and American Samoan" after "Native American"; and

(B) by adding at the end thereof the following new sentence: "Such procedures and machinery shall include—

"(1) the designation by the Secretary of a single organizational unit which shall have the principal re-

sponsibility for the development, coordination, and oversight of all policies (except audit, procurement and debt collection policies) under which the Secretary regulates or influences the operation of Native American programs under this section; and

"(2) a special effort to recruit Indians, Native Alaskans, American Samoans and Native Hawaiians for employment in the organizational unit identified in paragraph (1)"; and

(5) in subsection (h) by—

(A) inserting "and American Samoans" after "Native Americans"; and

(B) inserting "and American Samoan" after "Native American".

(b) ADVISORY COUNCIL.—Section 401(h) (as amended in subsection (a)) of the Act is further amended by—

(1) striking "representatives of Indians and other Native Americans" and inserting in lieu thereof the following: "the Advisory Council on Native American Job Training Programs"; and

(2) inserting at the end thereof the following new paragraph:

"(3)(A) The Secretary shall establish an Advisory Council on Native American Job Training Programs (hereafter in this section referred to as the 'Council') which shall

consist of not less than 15 Indians, Native Alaskans, American Samoans, or Native Hawaiians appointed by the Secretary from among individuals nominated by Indian tribes or Indian, Native Alaskan, American Samoan, or Native Hawaiian organizations. The Council's membership shall represent diverse geographic areas and include representatives of tribal governments and of nonreservation Native American organizations.

"(B) The Council shall be chaired by an Indian, Native Alaskan, or Native Hawaiian Council member elected by a majority of the Council's membership and shall meet not less than twice each Program Year. Each Council member may serve for a term of 2 years, and may be reappointed.

"(C) The Council shall—

"(i) solicit the views of a wide variety of tribes and Native American and American Samoan groups, including those operating employment and training programs funded under this section, on issues affecting the operation and administration of such programs;

"(ii) advise the Secretary with respect to all matters concerning the implementation of programs under this section and other programs providing services to Native American youth and adults under this Act;

"(iii) advise the Secretary in the design of all aspects of the system of performance standards developed under this section;

"(iv) advise the Secretary with respect to services obtained by the Department through contracts or arrangements with non-Federal agencies or entities which involve the provision of technical assistance to, or evaluation of, the program authorized by this section;

"(v) assess the effectiveness of Native American job training programs and make recommendations with respect to the improvement of such programs;

"(vi) advise the Secretary with regard to the recruitment of, identification of, and selection criteria for, candidates for the position of chief of the organizational unit described in subsection (e)(1) whenever a vacancy in such position occurs; and

"(vii) submit a report to the Congress no later than January 1 of each year on the progress of Native American job training programs and recommendations for improving their effectiveness.

"(D) From amounts appropriated to carry out the provisions of this section, the Secretary shall make available to the Council such sums as may be necessary to carry out the functions of the Council.".

(c) RESERVATION.—Section 401(j) is amended to read as follows:

"(j)(1) For the purposes of carrying out this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 3.1 percent of the total amount of funds appropriated to carry out the provisions of parts A and B of title II of this Act for such fiscal year.

"(2) Of the amounts reserved under paragraph (1), 18 percent shall be provided to section 401 entities which were eligible for direct funding under part B of title II (the Summer Youth Employment and Training Programs) immediately prior to the enactment of this Act. Such entities shall use such funds to operate special programs for economically disadvantaged Native American youth between the ages of 14 and 21.".

SEC. 121. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 402(f) of the Act is amended to read as follows:

"(f) For the purposes of carrying out the provisions of this section, the Secretary shall reserve, from funds available for this title (other than part B) for any fiscal year, an amount equal to 2.3 percent of the total amount of funds appropriated to carry out the provisions of parts A and B of title II of this Act for such fiscal year.".

SEC. 122. JOB CORPS.

Section 427(a)(2) of the Act is amended—

(1) by striking “10 percent” and inserting in lieu thereof “20 percent”; and

(2) by striking the period at the end thereof and inserting in lieu thereof the following: “, provided that the Secretary shall not reduce the number of residential participants in Job Corps programs under this part during any program year below the number of residential participants during program year 1989, in order to increase the number of individuals who are nonresidential participants in the Job Corps.”.

SEC. 123. NATIONAL ACTIVITIES.

(a) IN GENERAL.—Part D of title IV of the Act is amended to read as follows:

“PART D—NATIONAL ACTIVITIES

“NATIONAL PARTNERSHIP AND SPECIAL TRAINING PROGRAMS

“SEC. 451. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

“(1) improve access to employment and training opportunities for those with special needs,

“(2) help alleviate skill shortages and enhance the competitiveness of the labor force,

“(3) meet special training needs that are best addressed on a multistate or industry-wide basis, and

"(4) encourage the participation and support of all segments of society to further the goals of this Act.

"(b) PROGRAM AUTHORIZED.—The Secretary is authorized to establish a system of special grant programs that are most appropriately administered at the national level.

"(c) PROGRAMS.—Programs that are most appropriately administered at the national level include—

"(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training programs at the national, State, and local level, such as industry and labor associations, public interest groups, and community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training;

"(2) programs that—

"(A) address industry-wide skill shortages,

"(B) meet training needs that are best addressed on a multistate basis, and

"(C) further the goals of increasing the competitiveness of the United States labor force; and

"(3) programs which require technical expertise available at the national level to serve specialized needs of particular client groups, including at-risk youth, of-

fenders, individuals of limited English language proficiency, individuals with disabilities, women, immigrants, single parents, substance abusers, displaced homemakers, youth, older workers, veterans, individuals who lack education credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance.

"RESEARCH, DEMONSTRATION, AND EVALUATION

"SEC. 452. (a) IN GENERAL.—To assist the Nation in expanding work opportunities and ensuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of training and employment research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The program under this section may include studies concerning—

"(1) the development or improvement of Federal, State, local, and privately supported employment and training programs;

"(2) labor market processes and outcomes, including improving workplace literacy;

"(3) policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals;

"(4) productivity of labor;

"(5) improved means of using projections of labor supply and demand, including occupational and skill requirements and areas of labor shortages at the national and subnational levels;

"(6) methods of improving the wages and employment opportunities of low-skilled disadvantaged and dislocated workers, and workers with obsolete skills;

"(7) addressing the needs of at-risk populations, such as youth, homeless individuals, and other dependent populations, older workers, and other groups with multiple barriers to employment;

"(8) developing information on immigration, international trade and competition, technological change and labor shortages; and

"(9) easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

"(b) PILOTS AND DEMONSTRATIONS.—(1) The Secretary shall establish a program of pilot and demonstration programs, through grants or contracts, for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in meeting employment and training problems. These programs may include projects in such areas as—

"(A) school-to-work transition,

"(B) new methods of imparting literacy skills and basic education,

"(C) new training techniques (including projects undertaken with the private sector),

"(D) methods to eliminate artificial barriers to employment,

"(E) approaches that foster participation of groups which encounter special problems in the labor market (such as displaced homemakers, teen parents, welfare recipients), and

"(F) processes that demonstrate effective methods for alleviating the adverse effects of dislocation and plant closings on workers and their communities.

"(2) Demonstration projects shall include a formal, rigorous evaluation component.

"(3) No pilot project under this subsection shall be financially assisted under this Act for a period of more than 3 years.

"(c) EVALUATION.—(1) The Secretary shall provide for the continuing evaluation of programs conducted under this Act, including the cost effectiveness of the program in achieving the purposes of the Act. The Secretary may also conduct evaluations of other federally funded employment-related activities including programs administered under—

"(A) the Wagner-Peyser Act,

"(B) the National Apprenticeship Act,

"(C) the Older Americans Act,

"(D) chapter 2 of title II of the Trade Act of 1974, and

"(E) the Unemployment Insurance program under the Social Security Act.

Evaluations conducted pursuant to this paragraph shall utilize sound statistical methods and techniques of the behavioral and social sciences, including random assignment methodologies when feasible. Such studies may include cost-benefit analysis of programs, their impact on communities and participants, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by various programs. The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to the statutory goals, the performance standards established by the Secretary, and the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, and improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase total employment over what total employment would have been in the absence of such programs.

"(2) The Secretary shall evaluate the impact of title II programs as amended by the Job Training Partnership Act Amendments of 1989 on participant employment, earnings, and welfare dependency in multiple sites using the random assignment of individuals to groups receiving services under programs authorized under the Job Training Partnership Act Amendments of 1989 or to groups not receiving such services.

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 453. (a) IN GENERAL.—The Secretary shall develop and publish a strategic, multiyear national plan for the development and expansion of the capacity of the employment and training system to achieve the goals and objectives provided for under this Act. Such plan shall take into consideration projected investments by the Federal Government, States, and service delivery areas of funds provided under this Act for research, demonstration, pilot projects, evaluation, technical assistance, and training.

"(b) TRAINING.—The Secretary shall provide, directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel including job skills teachers. The Secretary shall provide appropriate technical assistance, including activities related to the development and attainment of performance goals, to programs assisted under this Act, and to other employment related programs administered by the Department of Labor, as the Secretary deems

appropriate. Such training and technical assistance may utilize the training and technical assistance capabilities existing at the State and service delivery area level.

"(c) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide staff training and technical assistance services to States or service delivery areas in order to improve their staff training and technical assistance capabilities.

"(d) DISSEMINATION.—The Secretary shall disseminate materials and information gained from exemplary program experience and from research and demonstration activities which may be of use in the innovation or improvement of other programs conducted pursuant to this Act or to related programs conducted under other employment related legislation administered by the Department of Labor.

"(e) TRAINING INSTITUTES.—(1) The Secretary shall, before July 1, 1991, establish a network of regional training institutes, in order to strengthen the caliber of services provided through the various Federal, State, and local employment and training systems. To initiate and maintain the network, the Secretary shall, on a competitive basis, award grants or contracts to colleges and universities, private nonprofit organizations, community-based organizations or other organizations with specialized employment and training knowledge and expertise to establish not more than 5 regional

training institutes. Each such regional training institute shall—

"(A) provide appropriate training, technical assistance, professional development, and other activities which will—

"(i) enhance the skills, knowledge, and expertise, of the personnel who staff employment and training delivery systems, including service providers, and

"(ii) improve the quality of services provided through this Act and other Federal employment and training programs;

"(B) prepare and disseminate training curricula and materials for employment and training professionals and support staff which focus on enhancing staff competencies and professionalism;

"(C) disseminate innovative and successful models, materials, methods, and program information to foster professional growth among managers, service delivery providers, and administrators involved in the delivery of employment and training services;

"(D) act as a clearinghouse to regularly identify, develop, and disseminate innovative materials which enhance the knowledge and quality of performance of employment and training personnel;

"(E) facilitate effective communications and coordination among employment and training personnel;

"(F) establish an institute advisory committee which shall be broadly representative of the employment and training systems and which shall assist in—

"(i) establishing institute priorities,

"(ii) evaluating institute performance, and enhancing the effectiveness and efficiency of institute operations.

"(2) The regional training institutes established pursuant to paragraph (1) may charge appropriate tuition or fees to offset the costs of various institute training, materials acquisition, or other training-related costs.

"(3) The Secretary shall provide guidance, technical assistance, and direction to the regional training institute network to ensure that regional training institutes respond to employment and training staff needs, furnish high quality training and materials, meet program objectives without duplication, and encourage the use of the latest technologies for training and program management.

"(4) The Secretary shall consult with the Secretary of Education, as needed, to coordinate the activities of the regional network of training institutes with other relevant institutes, centers, laboratories, or clearinghouses.

"(5) The Secretary shall reserve 5 percent of the amounts allotted to the States under sections 202(d)(2)(B) and 252(d)(2)(B) of this Act to carry out the provisions of this subsection.".

(b) TECHNICAL AMENDMENT.—The table of contents relating to part D of title IV of the Act is amended to read as follows:

"PART D—NATIONAL ACTIVITIES

"Sec. 451. National partnership and special training programs.
"Sec. 452. Research, demonstration, and evaluation.
"Sec. 453. Training and technical assistance.".

SEC. 124. COOPERATIVE LABOR MARKET INFORMATION PROGRAM.

Section 462 of the Act is amended by inserting at the end thereof the following new subsection:

"(g)(1) The Secretary is authorized to engage in research, demonstration, or other activities, including those which might be carried out by States, designed to determine the feasibility of various methods of organizing and making accessible nationwide, information on the quarterly earnings for all individuals for whom such information is collected by the States.

"(2) The Secretary shall report to Congress concerning the costs and benefits of establishing and maintaining a national longitudinal data base utilizing unemployment insurance wage records. Such report shall also address the feasibility of establishing appropriate safeguards for maintaining

the confidentiality of information and privacy of individuals.".

SEC. 125. NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE.

Section 464(a)(1) is amended by striking "more than $5,000,000 is authorized to be reserved" and inserting "less than $6,000,000 will be available".

SEC. 126. REPLICATION OF SUCCESSFUL PROGRAMS.

(a) IN GENERAL.—Title IV of the Act is amended by adding at the end thereof the following new part:

"PART H—REPLICATION OF SUCCESSFUL PROGRAMS

"REPLICATION OF SUCCESSFUL PROGRAMS

"SEC. 485. (a) REPLICATION PROGRAM AUTHORIZED.—The Secretary shall, in consultation with the expert review panel appointed pursuant to subsection (b), make grants to national or regional public or private nonprofit organizations which meet the requirements of this section for the provision of technical assistance, and to States and service delivery areas for costs associated with the development and operation of model programs approved by the Secretary in accordance with the provisions of this section.

"(b) REVIEW PANEL.—(1) The Secretary shall appoint a review panel of recognized experts in the operation and evaluation of employment and training programs for economically disadvantaged youth, adults, and dislocated work-

ers. Such panel shall select and designate model programs pursuant to the provisions of this section. The review panel shall meet at least once each year to carry out the responsibilities described in this section. No member of such panel shall have a direct financial interest in or affiliation with a potential recipient of funds under the program authorized by this section.

"(2) The review panel shall select and designate model programs and make recommendations to the Secretary regarding those programs the review panel deems likely to be successful in improving the employment prospects of economically disadvantaged youth, adults and dislocated workers, and which are replicable on a large scale. In selecting such programs the review panel shall consider—

"(A) the size and scope of the program;

"(B) the length of time the program has been operating;

"(C) the nature and reliability of measurable outcomes for the program;

"(D) the capacity of the sponsoring national or regional organization to provide the technical assistance necessary for States and local communities to replicate the program; and

"(E) the likelihood the program will be successful in diverse economic, geographic, and cultural environments.

"(c) SPECIAL CONSIDERATION.—The review panel shall give special consideration to programs that have the demonstrated ability to integrate or coordinate services through collaborative efforts with other service providers in the areas of basic skills instruction, occupational, and pre-employment and work maturity training programs.

"(d) CRITERIA FOR MODEL PROGRAMS.—The review panel shall consider any program for designation as a model program if such program—

"(1) is designed to improve the employment prospects of economically disadvantaged youth, adults and dislocated workers;

"(2) is sponsored or operated by a national or regional public or private nonprofit organization with the capacity to provide the technical assistance necessary to enable States and local communities to implement the program;

"(3) has demonstrated reasonable evidence of success, as reflected in measurable outcomes related to stated program goals and objectives; and

"(4) has operated on a scale sufficient to demonstrate that the program has the potential to be replicat-

ed across a wide range of sites and successfully serve large numbers of economically disadvantaged youth, adults and dislocated workers.

"(e) APPLICATIONS.—Each public or private nonprofit organization, State, or service delivery area desiring to receive a grant under this Act shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) describe the activities and services for which assistance is sought; and

"(2) contain such information and assurances as the Secretary may require to ensure compliance with the provisions of this Act.

"(f) GRANT LIMITATIONS.—(1) In any 3-year period the Secretary shall not approve grants for the same replication activities in more than 10 States or communities. During this 3-year period, the results of such limited replication efforts shall be carefully evaluated and examined by the review panel, which shall submit recommendations to the Secretary regarding the advisability of replicating the model program in more than 10 States or communities or for longer than 3 years. On the basis of such recommendations, the Secretary shall have authority to replicate such programs in more than 10 communities or for longer than 3 years.

"(2) Notwithstanding the provisions of paragraph (2), the Secretary may, upon recommendation of the review panel, waive the limitation set forth in paragraph (1) if immediate replication efforts on a larger scale is warranted by extensive evaluation of the program prior to its designation as a model program pursuant to the provisions of this paragraph.".

(b) TECHNICAL AMENDMENT.—The table of contents in title IV of the Act is amended by adding the following after section 481:

"PART H—REPLICATION OF SUCCESSFUL PROGRAMS

"Sec. 485. Replication of successful programs.".

SEC. 127. FAIR CHANCE YOUTH OPPORTUNITIES UNLIMITED PROGRAM.

(a) IN GENERAL.—Title IV of the Act is amended by adding at the end thereof the following new part:

"PART I—FAIR CHANCE YOUTH OPPORTUNITIES UNLIMITED PROGRAM

"STATEMENT OF PURPOSE

"SEC. 491. The purposes of the Fair Chance Youth Opportunities Unlimited program include—

"(1) enabling communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community; and

"(2) facilitating the coordination of comprehensive services to serve youth in such communities.

"PROGRAM AUTHORIZED

"SEC. 492. (a) PROGRAM ESTABLISHED.—The Secretary is authorized to establish a national program of Youth Opportunities Unlimited grants to pay the Federal share of providing comprehensive services to youth living in high poverty areas in the Nation's cities and rural areas.

"(b) AWARDS.—(1) The Secretary may only award grants under this part to the service delivery area (on behalf of the participating community) in which the target area is located, or to the grantee designated under section 401 if the target area is located on an Indian reservation or Alaskan native village.

"(2) The Secretary may award not more than 25 grants in the first year after the program is in effect, and may award not more than a total of 40 over the first 5 years that the program is authorized.

"(3) The Secretary shall award at least 1, but not more than 3, grants under this part among grantees designated under section 401 representing Indian reservations and Alaskan native villages.

"(c) GRANT TERM.—(1) Grants awarded under this part shall be for a 1-year period and are renewable for each of the 2 succeeding fiscal years if the Secretary determines

the grant recipient complied with conditions of the grant during the previous fiscal year.

"(2) The Secretary may extend the renewal period set forth in paragraph (1) for an additional 2 fiscal years upon reapplication.

"(d) AWARD CRITERIA.—In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the goals to be achieved, the likelihood of the project's successful implementation, and the extent of community support. The Secretary shall give priority to participating communities with the highest rates of poverty.

"DEFINITIONS

"SEC. 493. For the purposes of this part—

"(1) The term 'participating community' means the city in a Metropolitan Statistical Area, the contiguous nonmetropolitan counties in a rural area, or an Indian reservation or Alaskan native village, that includes the target area for the Fair Chance Youth Opportunities Unlimited Program.

"(2) The term 'poverty area' means an urban census tract, a nonmetropolitan county, an Indian reservation, or an Alaskan native village, with a poverty rate of 30 percent or more as determined by the Bureau of the Census.

"(3) The term 'target area' means a poverty area or set of contiguous poverty areas that will be the focus of the program in each participating community.

"APPLICATION

"Sec. 494. (a) Participating communities which have the highest concentrations of poverty, as determined by the Secretary based on the latest Census estimates, shall be eligible to apply for a Youth Opportunities Unlimited grant.

"(b) Each participating community desiring a grant under this part shall, through the individuals set for in subsection (c), submit an application to the Secretary at such time in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) include a comprehensive plan for the Fair Chance Youth Opportunities Unlimited initiative designed to achieve identifiable goals for youth in the target area;

"(2) set forth measurable program goals which may include increasing—

"(A) the proportion of youths completing high school, and

"(B) the proportion of youths entering into community colleges or other advanced training programs, or

"(C) the proportion of youths placed in jobs;

"(3) include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests;

"(4) provide assurances that the conditions set forth in section 495 will be met;

"(5) ensure that all youth in the target areas have access to a coordinated and comprehensive range of education and training opportunities which serve the broadest range of youth interests and needs and simultaneously mobilizes the diverse range of education and training providers in the participating community;

"(6) demonstrate how the participating community will make use of the resources, expertise, and commitment of institutions of higher education, educational agencies, and vocational and technical schools and institutes;

"(7) demonstrate how the participating community will make use of the resources, expertise, and commitment of such programs and service providers as—

"(A) community-based organizations providing vocational skills, literacy skills, remedial education, and general equivalency preparation, including those serving youth with limited English proficiency;

"(B) youth conservation and human service corps;

"(C) Job Corps centers;

"(D) apprenticeship programs; and

"(E) other projects and programs funded under this Act;

"(8) include an estimate of the expected number of youth in the target area to be served;

"(9) include a description of the resources available in the participating community from private, local government, State and Federal sources which will be used to achieve the goals of the program;

"(10) include an estimate of funds required to ensure access to appropriate education, training, and support services for all youth in the target area who seek such opportunities; and

"(11) provide evidence of support for accomplishing the stated goals of the participating community from—

"(A) local elected officials,

"(B) the local school board,

"(C) applicable private industry council,

"(D) local community leaders,

"(E) business,

"(F) labor organizations, and

"(G) other appropriate organizations.

"(c) APPLICATION LIMITATION.—The application for funds for a participating community may only be submitted to the Secretary by—

"(1) the mayor of a city in a Metropolitan Statistical Area, after the Governor of the State in which such city is located has had an opportunity to comment on the application;

"(2) the governor of the State in which the contiguous nonmetropolitan counties in a rural area are located; or

"(3) the grantee designated under section 401 for an Indian reservation or Alaskan native village.

"GRANT AGREEMENT

"SEC. 495. Each service delivery area (on behalf of the participating community) receiving a grant under this part shall enter into an agreement with the Secretary. Each such agreement shall—

"(1) designate a target area that will be the focus of the demonstration project which shall have a population of not more than 25,000;

"(2) contain assurances that funds provided under this part will be used to support education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from

alternative models described in the application and approved by the Secretary, such as—

"(A) nonresidential learning centers,

"(B) alternative schools,

"(C) combined summer remediation, work experience and work readiness training, and school-to-work/apprenticeship/post-secondary education programs,

"(D) teen parent programs,

"(E) special programs run by community colleges,

"(F) youth centers,

"(G) initiatives aimed at increasing rural student enrollment in post-secondary institutions,

"(H) public-private collaborations to assure private sector employment and continued learning opportunities for youth; and

"(I) initiatives that combine community and youth service opportunities with education and training activities.

"(3) provide that only youth who are aged 14 through 21 and reside in the target area shall be eligible to participate in the program;

"(4) contain assurances that the local educational agency and any other educational agency which oper-

ates secondary schools in the target area shall provide such activities and resources as are necessary to achieve the educational goals specified in the application;

"(5) contain assurances that the participating community will provide such activities and local resources as are necessary to achieve the goals specified in the application;

"(6) provide that the participating community will carry out special efforts to establish coordination with Federal, State, or local programs that serve the target population; and

"(7) provide assurances that funds provided under this part will be used only to pay the Federal share of the costs of programs and services not otherwise available in the target area and will supplement, and not supplant, funding from other local, State, and Federal sources available to youth in the target area.

"PAYMENTS; FEDERAL SHARE

"SEC. 496. (a) PAYMENTS.—The Secretary shall pay to each participating community the Federal share of the costs of the activities described in the application.

"(b) FEDERAL SHARE.—The Federal share for each fiscal year a participating community receives assistance under this Act shall be 50 percent.

"(c) LIMITATION.—Each participating community may provide not more than 25 percent of its share from Federal sources other than funds received pursuant to this part.

"REPORTING

"SEC. 497. The Secretary is authorized to establish such reporting procedures as necessary to carry out the purposes of this part.

"FEDERAL RESPONSIBILITIES

"SEC. 498. (a) IN GENERAL.—The Secretary shall provide assistance to participating communities in the implementation of this project in participating communities. The Secretary may reserve not more than 5 percent of the amount appropriated under this part to carry out the provisions of this paragraph.

"(b) INDEPENDENT EVALUATION.—The Secretary shall provide for a thorough, independent evaluation of the Fair Chance Youth Opportunities Unlimited program to assess the outcomes of youth participating in such programs. Evaluation measures may include—

"(1) enrollment, retention, and completion rates;

"(2) high school graduation rates;

"(3) avoidance of anti-social behavior and self-destructive behavior;

"(4) subsequent employment;

"(5) continued pursuit of advanced education and training;

"(6) admission into four-year colleges and universities; or

"(7) admission into the armed forces, and similar measures.

"(c) REPORT.—The Secretary shall develop a report detailing the results of the independent evaluation and submit such report to the President and the Congress no later than December 31, 1994, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs funded under this part. Such report should summarize findings concerning—

"(1) the extent to which current programs are sufficient in number, variety, and quality to meet demand; and

"(2) the feasibility of extending access to comprehensive education, training and support services and programs required under this part to all areas of the nation, including possible approaches to the incremental extension of such access over time.".

(b) TECHNICAL AMENDMENT.—The table of contents of the Act is amended by adding the following after section 485:

"PART I—FAIR CHANCE YOUTH OPPORTUNITIES UNLIMITED PROGRAM

"Sec. 491. Statement of purpose.
"Sec. 492. Program authorized.
"Sec. 493. Definitions.
"Sec. 494. Application.
"Sec. 495. Grant agreement.

"Sec. 496. Payments; Federal share.
"Sec. 497. Reporting.
"Sec. 498. Federal responsibilities.".

SEC. 128. DISPLACED HOMEMAKERS.

(a) IN GENERAL.—Title IV of the Act is amended by adding at the end thereof the following new part:

"PART J—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED HOMEMAKERS

"PROGRAM AUTHORIZED

"SEC. 499A. (a) IN GENERAL.—The Secretary is authorized to provide financial assistance for projects which utilize comprehensive and innovative approaches to delivering services to displaced homemakers. The Secretary may award a grant to a statewide public agency or statewide nonprofit organization which has previously demonstrated the capability to administer effectively a diversified education, training, and employability development program for displaced homemakers.

"(b) AWARDS.—The Secretary shall award not more than 1 grant per State to administer the services provided under this part. Such grant may be renewed.

"APPLICATION

"SEC. 499B. (a) IN GENERAL.—Each statewide public agency or statewide nonprofit organization desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

Each such application shall contain assurances that the State Job Training Coordinating Council and the Governor have had an opportunity to review and comment on the application. Each applicant shall include the comments received by the applicant pursuant to such review.

"(b) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to applications from statewide public agencies and statewide nonprofit organizations which—

"(1) demonstrate that employment and training services will be given to displaced homemakers who are economically disadvantaged;

"(2) demonstrate that priority for employment and training services will be given to displaced homemakers who—

"(A) are 45 years of age and older, or

"(B) are minorities;

"(3) demonstrate that employment and training services to be provided will be coordinated with other Federal, State, or local programs providing services to displaced homemakers; and

"(4) demonstrate that program models will be utilized that involve the provision of services which address the unique needs and employment barriers of displaced homemakers, including individual and group

counseling, life skills development and preemployment preparation, provided through community-based organizations, educational agencies, and vocational technical schools.

"ADMINISTRATIVE PROVISIONS

"SEC. 499C. The Secretary shall prescribe such rules and regulations as may reasonably be required to implement this part.

"SUPPLEMENTATION OF FUNDING

"SEC. 499D. IN GENERAL.—Each statewide public agency or statewide nonprofit organization receiving a grant under this part shall use such funds to supplement and not supplant the funds that would, in the absence of such funds, be made available from other Federal and non-Federal sources to displaced homemakers for the activities and services described in the application.

"ADMINISTRATIVE PROCEDURES

"SEC. 499E. (a) IN GENERAL.—The Secretary is directed to take appropriate action to establish administrative procedures for the selection, administration, monitoring, and evaluation of displaced homemaker programs authorized under this part.

"(b) SPECIAL RULE.—The Secretary may provide, where appropriate, through grants or contracts, training and technical assistance to statewide public agencies or statewide nonprofit organizations serving displaced homemakers.".

(b) TECHNICAL AMENDMENT.—The table of contents of the Act is further amended by adding the following after section 498:

"PART J—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED HOMEMAKERS

"Sec. 499A. Program authorized.
"Sec. 499B. Application.
"Sec. 499C. Administrative provisions.
"Sec. 499D. Supplementation of funding.
"Sec. 499E. Administrative procedures.".

SEC. 129. EFFECTIVE DATE; TRANSITION PROVISIONS.

(a) The amendments made by this title shall take effect on July 1, 1990.

(b) The Secretary shall issue revised performance standards pursuant to the amendments contained in section 107 as soon as the Secretary determines sufficient data are available, but no later than July 1, 1993.

(c) The Secretary may establish such rules and procedures as may be necessary to provide for an orderly transition to and implementation of the amendments made by this title.

TITLE II—STATE HUMAN RESOURCE COUNCIL

SEC. 201. ESTABLISHMENT OF STATE HUMAN RESOURCE INVESTMENT COUNCILS.

(a) COUNCIL ESTABLISHED.—Each State receiving assistance under an applicable program shall establish a

State human resource investment council (hereafter in this title referred to as the "State council") to—

(1) review the provisions of services and the use of funds and resources under applicable programs and advise the Governor on methods of coordinating such provision of services and use of funds and resources consistent with the provisions of the applicable programs;

(2) advise the Governor on the development and implementation of State and local standards and measures relating to applicable programs and coordination of such standards and measures; and

(3) work cooperatively with the directors of the designated State units administering the State vocational rehabilitation programs and the directors of the special education units of the State education agencies to enhance employment and vocational education and training opportunities under applicable programs for persons with disabilities.

(b) COMPOSITION.—Each State council established as required by subsection (a) shall consist of the following members appointed by the Governor—

(1) not less than 30 percent shall be appointed from representatives of business and industry (including agriculture, where appropriate), including individ-

uals who are representatives of business and industry on private industry councils within the State established under section 102 of the Job Training Partnership Act;

(2) not less than 30 percent shall be appointed from representatives of organized labor and representatives of community-based organizations in the State;

(3) not less than 20 percent shall consist of—

(A) the chief administrative officer from each of the State agencies primarily responsible for administration of an applicable program;

(B) other members appointed from representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the State board of education (if not otherwise represented), the State public assistance agency, the State employment security agency, the special education unit of the State education agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, the State veteran's affairs agency (or its equivalent), State career guidance and counseling organizations, and any other agencies the Governor determines to have a

direct interest in the utilization of human resources within the State; and

(C) the chief administrative officer(s) of the designated State unit(s) which administer(s) the State vocational rehabilitation program as authorized under title I of the Rehabilitation Act; and

(4) not more than 20 percent shall be appointed from—

(A) representatives of units of general local government or consortia of such units, appointed from nominations made by the chief elected officials of such units or consortia;

(B) representatives of local educational agencies and postsecondary institutions, which appointments shall be equitably distributed between such agencies and such institutions and shall be made from nominations made by local educational agencies and postsecondary institutions, respectively;

(C) representatives of local welfare agencies; and

(D) individuals who have special knowledge and qualifications with respect to the special education and career development needs of individuals who are members of special populations,

women, and minorities, including one individual who is a representative of special education.

(c) BUDGET.—Each State council shall prepare a budget for itself and submit the budget to the Governor for approval.

(d) SERVICES.—Each State council may obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out the State Council's functions under this Act and under any applicable program.

(e) CERTIFICATION.—Each State receiving financial assistance under an applicable program shall certify to the Secretary of Labor the establishment and membership of a State council at least 90 days before the beginning of each period of 2 program years for which a job training plan is submitted under the Job Training Partnership Act.

SEC. 202. DEFINITION.

For purposes of this title, the term "applicable program" means any program under any of the following provisions of law:

(1) The Adult Education Act.

(2) The Carl D. Perkins Vocational Education Act.

(3) The Job Training Partnership Act.

(4) The Wagner-Peyser Act.

(5) Subtitle F of title IV of the Social Security Act (JOBS), to the extent provided under section 483 of such Act.

SEC. 203. DUTIES OF STATE COUNCIL WITH RESPECT TO APPLICABLE PROGRAMS.

(a) DUTIES UNDER THE JOB TRAINING PARTNERSHIP ACT.—Section 122 of the Act is amended—

(1) in the section heading by striking "STATE JOB TRAINING COORDINATING COUNCIL" and inserting in lieu thereof "STATE HUMAN RESOURCE INVESTMENT COUNCIL";

(2) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

"(1) Any State which desires to receive financial assistance under this Act shall establish a State human resource investment council as required by section 201(a) of the Job Training and Basic Skills Act of 1989 and shall require such council to act as a State job training coordinating council. Funding for the duties of the council under this Act shall be provided pursuant to sections 202(d)(2)(A) and 252(d)(2)(A).";

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(B) by striking paragraphs (2), (3), and (4) and redesignating paragraphs (5), (6), and (7) as paragraphs (2), (3), and (4), respectively;

(C) in paragraph (2) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council";

(D) in paragraph (3) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council, in carrying out its duties under this Act,"; and

(E) in paragraph (4) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council relative to carrying out its duties under this Act".

(b) DUTIES UNDER THE WAGNER-PEYSER ACT.—The Wagner-Peyser Act (29 U.S.C. 49) is amended—

(1) by redesignating section 15 as section 16; and

(2) by inserting after section 14 the following new section:

"SEC. 15. The State human resource investment council established under section 201(a) of the Job Training and Basic Skills Act of 1989 shall review the provision of serv-

ices and the use of funds and resources under this Act and advise the Governor on methods of coordinating such provision of services and use of funds and resources with the provision of services and the use of funds and resources under—

"(1) the Adult Education Act;

"(2) the Carl D. Perkins Vocational Education Act;

"(3) the Job Training Partnership Act; and

"(4) part F of title IV of the Social Security Act (JOBS), to the extent provided under section 483 of such Act.".

(3) in subsection (b) of section 8 by striking "State job training coordinating council" and inserting "State human resource investment council"; and

(4) in subsection (a) of section 11 by striking "State job training coordinating council" and inserting "State human resource investment council".

SEC. 204. EFFECTIVE DATE.

The amendments made by this title shall take effect on July 1, 1990.

Calendar No. 239

101st CONGRESS
1st Session

S. 543

[Report No. 101–129]

A BILL

To amend the Job Training Partnership Act to strengthen the program of employment and training assistance under that Act, and for other purposes.

September 14 (legislative day, September 6), 1989

Reported with an amendment